

**Master Thesis in Business Administration**

**The Influence of Cross Cultural Training  
on The Learning Process within  
International Alliances**

**Supervisor:**

**Professor Andreas W. Falkenberg**

**By: Irfan Irfan**

Student Number: 141614

**2010**

# The Influence of Cross Cultural Training on the Learning Process within International Alliances

Irfan Irfan

2010

# Acknowledgments

All glory to Allah who is the ultimate owner and most merciful. My supreme grateful goes to Almighty Allah, who made all things possible for me in accomplishing this assignment despite various hardships.

I would like to express profound and deepest gratitude to my spiritual father and my master thesis supervisor, Professor Dr. Andreas.W. Falkenberg, for his invaluable guidance, advices, moral support and his high commitment throughout the accomplishment of this research work. Professor Dr. Andreas W. Falkenberg is the one who really help me in making a good human by changing my behaviour and attitude.

I again thanks to Professor Dr. Andreas W. Falkenberg and Professor Dr. Joyce Falkenberg for their guidance and financial support.

I wish to give many thanks to the Norwegian Government, education ministry and Norwegian people who give me a chance to get free education here in Norway. I also thanks to the University of Agder, Faculty of Economics & Social Science and International Office who make arrangement for sending me to Radboud University Nijmegen, The Netherlands on exchange. I am also highly thankful to all my professors in University of Agder, Norway and Radboud University Nijmegen, The Netherlands for their invaluable knowledge sharing and guidance.

I am as ever, especially indebted to my parents, Zeenat and Abdullah for their love, encouragement, support and hardships they face to complete my necessities throughout my life. My special thanks also goes to Akbar Jan, Samin Jan, Shehzad Zaman, Zaheer Shah, Mujeeb-ur-Rehman and Attiq Adnan who help me in barrowing money without interest for the continuation of my study in Norway.

Moreover, I would like to acknowledge all of my respondents whom I interviewed & answered my Survey. Sespecial thanks to Mr. Adnan Khattak SLS Data Engineer–Qatar Middle East–Asia Pacific Region, INTEQ, A division of Baker Hughes Inc., & Mr. Amir Ali Ph.D. Candidate in Petroleum Geosciences at University of Bergen, Norway.

Many thanks to Sudiyanti Wayan Warmada, Zeeshan Anjam, Fredolin Wilibard Mujamula and, Katerina Smidova for the help they have given me in setting the format and cross checking of the thesis, the technical support and the immense encouragement they have given me.

I also thank those who help me and I did not remember.

Irfan Irfan

January 04, 2010

# Abstract

This study will give insight on how the Cross-cultural training influences the learning process within the International Joint Ventures. To realize the objective of this research the main question was answered i.e given national cultural differences, how the cross cultural training influence the learning process within IJVs.

Both theoretical and empirical research was carried out. A detailed theoretical background was introduced contacting relevant theories about the learning, cultures, strategic alliances, joint ventures, distinction between national and organizational cultures and Hofstede cultural dimensions were presented. A relation between the Cross cultural Training (CCT) and learning determinants i.e trust and openness was provided. By the help of literature review four prepositions were formulated describing the relation between the CCT, learning and performance of the Joint Venture through a conceptual model.

The present study is the combination of case study and conducting interviews with five companies to provide and insight on the relationship between the cross-cultural training and the learning process within joint ventures i.e Shell and others. The data for case study and other five interviewed companies provide primary conclusion and then compare with each other for the final conclusion and answering the propositions.

The final conclusion of this research has shown that Cross-cultural training influence on the learning process within IJV. However these influences are limited to the openness and not apply to the trust among them. In additional the influence of the Cross-Cultural training on improving the performance of the IJV was not determinant.

Keywords: Culture, Cultural distance, Cross-cultural training, Joint Venture, Learning, Learning, Openness, Trust, Integration, Royal Dutch Shell.

# Content

<b>INTRODUCTION .....</b>	<b>1</b>
1.1 BACKGROUND .....	1
1.2 OBJECTIVE OF THE STUDY .....	3
1.3 MAIN QUESTIONS .....	3
1.3.1 What are the national cultural differences and how it can be measured? .....	4
1.3.2 What are the components of learning process?.....	4
1.3.3 What is Cross-Cultural training? Whether it affects learning within the IJV? .....	4
1.3.4 What is the influence of Inter-cultural training on learning process?.....	4
1.3.5 How the performance of the International Joint Venture is affected by the Intercultural training?.....	4
1.4 RELEVANCY OF THE RESEARCH .....	4
1.5 DEFINITION OF THE KEY CONCEPTS .....	6
1.5.1 Joint Venture .....	6
1.5.2 Culture .....	6
1.5.3 Cultural Distance.....	6
1.5.4 Learning.....	7
1.5.5 Cross (Inter) Cultural Training.....	7
1.5.6 Trust .....	7
1.5.7 Openness.....	7
1.6 STRUCTURE OF THE RESEARCH .....	8
<b>LITERATURE REVIEW .....</b>	<b>10</b>
2.1 STRATEGIC ALLIANCES .....	11
2.1.1 Various Forms of Agreements and Strategic Alliances .....	12
2.1.2 Strategic Context .....	15
2.2 JOINT VENTURES .....	16
2.2.1 Theories behind Motivation to Joint Venture.....	18
2.2.1.1 Transaction Cost Theory .....	18
2.2.1.2 Strategic Behavior .....	19
2.2.1.3 Organizational Knowledge and Learning .....	20
2.3 CULTURE.....	22
2.3.1 Organizational and National Culture in light of theory and History .....	24

2.3.2	Cultural Distance and Dimensions .....	27
2.4	LEARNING .....	29
2.4.1	Types of learning .....	29
2.4.2	Organizations as Learning Hunters .....	30
2.4.3	Organizational Learning and/or Knowledge Management .....	32
2.4.4	Knowledge and Learning Forms .....	33
2.4.5	Level and process of learning and Culture.....	37
2.4.6	Dimensions of learning process.....	42
2.4.6.1	The learning and absorptive Capacity.....	42
2.4.6.2	Partner/Parent Experience.....	44
2.4.6.3	The Partner interactions .....	45
2.5	CROSS/INTERCULTURAL TRAINING .....	46
2.5.1	The need for cross-cultural training .....	46
	<b>CONCEPTUAL FRAMEWORK AND PROPOSITIONS .....</b>	<b>49</b>
3.1	TRUST AND INTER/CROSS-CULTURAL TRAINING.....	53
3.2	CROSS CULTURAL TRAINING AND OPENNESS .....	55
3.3	PERFORMANCE IS THE OUTCOME OF LEARNING .....	57
	<b>METHODOLOGY .....</b>	<b>60</b>
4.1	RESEARCH STRATEGY.....	60
4.1.1	Research design.....	60
4.1.2	Data Collection Methods .....	61
4.1.3	Population and Sampling .....	62
4.2	ANALYSIS.....	63
4.3	RESEARCH INDICATORS AND OPRATIONALIZATION .....	65
4.4	NATIONAL CULTURAL VARIATIONS .....	65
4.5	LEARNING PROCESS .....	66
4.6	OPENESS.....	68
4.7	CROSS-CULTURAL TRAINING (CCT) .....	70
4.8	VALIDITY .....	72
4.9	RESEARCH DESIGN.....	73
4.10	DATA COLLECTION METHODS .....	74
4.11	POPULATION AND SAMPLING .....	75
4.12	OPERATIONALIZATION .....	76

<b>SHELL CASE STUDY AND OTHER FIVE COMPANIES DATA AND DISCUSSIONS</b>	<b>77</b>
5.1 CASE STUDY	77
5.1.1 Shell at a glance.	77
5.1.2 Target Company	79
5.1.3 Data from case study	81
5.1.3.1 Cross-Cultural Training	81
5.1.3.2 Trust and Openness	82
5.1.3.3 Performance	83
5.1.3.4 Discussion on Case Study	84
5.1.3.5 Trust	84
5.1.3.6 Openness	85
5.1.3.7 Performance	86
5.2 OTHER INTERVIEW'S RESULT	87
5.2.1 A brief overview of interviews	87
5.2.2 Basic Information of Companies Studied	88
5.2.3 Interview Data	89
5.2.4 Cross-Cultural Training	89
5.2.5 Trust and Openness in relationship	90
5.2.6 Performance	91
5.2.7 Discussion	92
<b>FINAL DISCUSSIONS AND CONCLUSIONS</b>	<b>97</b>
6.1 PROPOSITIONS TESTS	97
6.2 ANSWERING THE MAIN QUESTION	99
6.3 LIMITATIONS OF RESEARCH	102
6.4 IMPLICATIONS FOR RESEARCH	103
<b>BIBLIOGRAPHY</b>	<b>105</b>
<b>APPENDIX A</b>	<b>126</b>
<b>APPENDIX B</b>	<b>129</b>

# List of Figures

1.1	Research structure . . . . .	8
2.1	Modes of inter-firm cooperation. . . . .	13
2.2	Variety of Strategic Alliances . . . . .	17
2.3	Learning Process . . . . .	39
3.1	Basic Model . . . . .	49
3.2	Emergence of Two Cultures . . . . .	50
3.3	Integration of Two Cultures . . . . .	52
3.4	Conceptual Model . . . . .	58
4.1	Trust in IJV . . . . .	67
6.1	The relations between openness and trust with respect to Performance .	89
6.2	The influence of CCT on learning and performance (research findings) .	89

# List of Tables

2.1	List of theories in the study . . . . .	10
2.2	Alliances main objectives . . . . .	16
2.3	Learning in Organizations . . . . .	30
2.4	Basic Beliefs in Tacit versus Explicit Knowledge Management Approaches	35
2.5	Framework of learning within IJV . . . . .	40
4.1	Shift from theoretical to empirical findings . . . . .	72
5.1	Shell at a glance . . . . .	78
5.2	Shell Policy of Diversity, Inclusion and Integration . . . . .	79
5.3	Other Five Companies details . . . . .	96
6.1	Blue Print of the Research . . . . .	99

# Chapter 1

## INTRODUCTION

*This chapter introduces the readers to the report by describing the background of the subject of interest, problems within the context, objectives of the study, definition of the key concepts, and structure of the report.*

### 1.1 Background

During the past decade we have witnessed widespread use of strategic alliances across all types of firms competing in every imaginable industry (Lei et al., 1997). Strategic Alliances are emerging organizational designs which enable organizations to handle the complexity of building and learning new sources of competitive advantage for global competition. A strategic alliance can be thought of as the co-alignment of two or more firms.

In the late 1980s the strategic view of companies changed from focusing on protecting profits from eroding through either competition or bargaining to the need for building collaborative relationships externally with competitors, i.e., Cooptation, and or related stakeholders i.e. pressure groups, NGOs, customers, governments agencies, suppliers etc. This tendency towards collaboration on the global level could be explained by a variety of factors including the increasing need for a global scale and scope economies, distribution, efficiencies, increasing costs, especially know how, innovation / R&D costs and the expansion of global standards. The global managers and decision makers recognize the companies may no longer rely on their own HR, financial or technological resources and capabilities, in order to response effectively to the abrupt changes in the market place. Due to various factors, many organizations take the broader perspective on building competitive advantage through several settings of inter firms/ cross border collaborations.

The cooperative rather than competitive strategy between the firms is the attempt by an organization to realize their objectives (Child et al., 2005). While some authors call it the coo-petition and co-option (Doz and Hamel, 1998) are the alliances of competitors, i.e., cooperation and competition at the same time in different space (Meyer and Wit, 2004). Parkhe (1998) used the notion of “Cooperate to compete! Is the cry of the embattled

Multinational Corporation”. It can offer significant advantages for the companies which are lacking in particular resources, technologies and competencies to secure them through others with relationship who possesses the required resources, skills and competencies, in falling with them, through joint ventures, acquisitions and some time take over.

The overall objective of alliance partners is the pooling of resources to create value in such a manner that an individual partner cannot achieve alone (Inkpen, 2003, p. 405). It is also not a zero sum game but it benefits both sides and everyone in the alliance gain something, i.e., *pareto optimal* and win-win.

It may also offer easier access to new markets and opportunities for mutual synergy and learning on a continuous basis as result of exchanging their knowledge, experiences, expertise and resources. International/ strategic alliances which are the results of the partnerships between two or more firms across borders are the basic instrument for a cooperative strategy in order to build and sustain global competitive advantages and achieve strategic goals (Aaker, 2001, p. 277).

Depending on the perspective taken, there are different forms of alliances based on learning relationships, such as cooperative strategies, i.e., joint ventures, collaboration, and consortia depending on skills substitutions arrangements. There are also virtual cooperation and settings, keiretsu and networks (Child et al., 2005). According to business dictionary Keiretsu is define as financial and industrial cooperation through historical associations and cross-shareholdings. In a Keiretsu each firm maintain its operational independence while retaining very close commercial relationship with other in the group. (<http://www.businessdictionary.com/definition/keiretsu.html>)

Thus the mutual learning and developing competencies between the partners is one of the main motives to form a joint venture across the borders.

But such learning from partners and developing competencies across borders is like to drink soup with knife as some organization stumble on the way while other moves forwards find it full of problems and hurdles. Culture (i.e. national, industry and organizational) is the main factors which decide the failure and success of joint venture/organizations in diversified settings. It is obvious that cultural differences arise from the differences in the cultures of partners and this influences the learning process. According to previous studies the greater the degree of differences between the partners culture the higher is the difficulty in learning. As big differences in cultures creates culture gaps and “otherness”. Chakrabarti et al. (2009) narrates the findings of Stahl and Voigt (2008), there is a negative impact of cultural differences on socio cultural integration. A cultural and corporate difference among the partners in international alliance leads to premature terminations of an alliance due to poor synergies (Parkhe, 1998). There are also some close evidence of potential cultural gains from the cultural

disparity in the literature of international business and strategy (Chakrabarti et al.,2009).

Inkpen (1998) stated that bringing together different partners with different knowledge would create good learning opportunities for each others. “Putting heads together” is the old notation of decision making and planning processes.

## 1.2 Objective of the study

International joint ventures between culturally dissimilar countries are more likely to be influenced by organizational and specific industry as well as by the national cultures of the parent companies. This influence would include all aspects of the alliance framework, from the initial conditions surroundings the IJV formation through the knowledge management and learning process to the outcomes. Since learning is one of the main motives behind the formation of the IJV, it depends on the longevity of the relationship between the partners, it is critical to the alliance, from the very foundation of the IJV and the parents learn about and from each other in the IJV itself.

The learning curve in managing cooperative strategies has two dimensions, i.e., how to manage the relationship between the partners and how to transfer the learning (when it has been come from the cooperation) effectively within the firm to add value and gain competitive edge through production of better products, services, processes and knowledge and know how creation (Westney, 1988). Of the two, it would seem that the later is much more under the influence of the first one. The objective of this research is to analyse how and to what extent Cross- cultural training influenced the learning process within the international joint venture, in various national cultural differences. The focus will on both measuring the two concepts in this particular case of strategic alliances, and on exploring and describing the relationship between the two.

## 1.3 Main questions

***What is the influence of the Cross-cultural training on the learning process within International Joint Ventures given the cultural differences?***

It is suppose that there is a positive relation between the Cross-cultural training and learning process in multi-cultures. Which can be tested by the following sub-questions as?

### 1.3.1 What are the national cultural differences and how it can be measured?

This answer this question I will be able to define the national cultural differences, which will able me to use some solid indicators in which these differences are operationalized, and can be used them to measure the cultural differences in IJV.

### 1.3.2 What are the components of learning process?

The answer of this question will able me to find out the learning mechanism at various stages and will indicate the most influential stage in the IJV

### 1.3.3 What is Cross-Cultural training? Whether it affects learning within the IJV?

This will be the focal point of this thesis. Here I will decide the existence of the relationship between the learning and inter-cultural training. And if such relationship exist then what are the result of this effect on realizing the learning objective of the IJV.

### 1.3.4 What is the influence of Inter-cultural training on learning process?

By handing this the direction of relations between Intercultural training and the learning process will be explained and explored through the influence of intercultural training on the components of the learning.

### 1.3.5 How the performance of the International Joint Venture is affected by the Intercultural training?

The relation between Intercultural training and the performance of the IJV will be explored by considering the relationship between the learning processes and performance that is occurring in the International Joint Ventures. It should be note that here the performance means Cross-cultural learning and reduce the otherness learning of partners.

Generally performance can be expressed as:

$$\text{Performance (economic)} = f(\text{prices, costs, technology, operation, CCT...etc.})$$

It should be note that the performance measures using here is the learning process, which results from the Cross-cultural training through openness and trust.

$$\text{Performance (social)} = f(\text{Trust and Openness})$$

## 1.5 Relevancy of the Research

Knowledge transfer and organizational learning in literature gives the feelings that it operates in a unitary space, in which diversity in terms of culture, languages, value system, sexual orientation, education and talent, age, gender and ethnic background are compressed into one minor variable, which in most situation pushed into the side. Cultural differences are the main factors, which ultimately influenced processes and performance of the joint ventures. Apart from cultural differences other factors such as power distance, power distribution, control mechanism, agreement type, the main motive behind the venture, internal strategies and policies, intercultural sensitivity, learning/global mind set and cross cultural training can also influenced.

This research provides an understanding of the joint venture structure, the flow of resources and the necessary conditions affecting their success. However, learning and acquisitions of new knowledge and skills are considered as main motive behind the Joint Ventures formation. Mostly the literature over sighted the Influence of learning by existing norms, assumptions and behaviours practiced by partners in forming the venture.

Some studies provide evidence that how cultural differences can influence alliance performance (Morosini, 1998; Pothukuchi et al., 2002) while other show the knowledge management creation and processes (Inkpen and Dinur, 1998; Grant, 1996; Nonaka and Takeuchi, 1995; Spender, 1996), but they ignore the learning process. There are also studies which negatively correlate the influence to the cultural dissimilarities on the ventures. It will try in this study to show the relationship between cultural difference and the process of learning within the Joint Venture. This will also try to find whether this influence is the same on all process stages which will be explain in this research; i.e. when the relation is positive, negative or it remains the same in the whole process.

It is hope that this study will also be beneficial for the leaders, managers and decision makers working in global ventures. It will help them to understand the patterns of cultural differences embodied in the alliance i.e. enhancing the global mindset, cultural sensitivity, and the reasons that explain the success or failure of the learning objective of the joint venture.

## 1.5 Definition of the Key Concept

### 1.5.1 Joint Venture

There are several terms may be used to described joint venture, such as putting together a portion of resources under a common legal entity, cooperative agreement between the firms, partnering, etc. However, I use term Joint Venture in international context, i.e., International Joint Venture (IJV) in this study, which can be described as follows:

- The involvement of inter-firm collaboration and have inputs from all parties and are defined in terms of goals over a well-defined economic space (Buckley, 1996).
- A Joint Venture is said to international if at least one partner is form other country or Joint Venture a significant level of operation in more than one country (Geringer and Hebert, 1989).

### 1.5.2 Culture

In this study the words Culture is inter changeably used at both the Organizational and national culture of the partner firms which are entering in the Joint venture.

- Schein (2004) explain culture as a pattern of shared basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration.
- Cultures as the collective programming of the mind which distinguishes the members of one group or category of people from another (Hofstede, 2001, p.9-10).

### 1.5.3 Cultural Distance

- Cultural differences refers to the dissimilarity of partners nationality (Kought and Singh, 1988).
- The researchers at the University of Uppsala-Sweden relate it to “psychic distance” between two countries. By “psychic distance” means that the degree to which a firm/partner is uncertain of the characteristics of a foreign market due to differences in culture and language of the home of the partner’s country distance (Johanson and Vahlne, 1977).

#### 1.5.4 Learning

The learning is used in broad context both at individual, group and organization level.

- “Learning occurs when we take effective action, and detect and correct error”

(Argyris, 1993)

#### 1.5.5 Cross (Inter) Cultural Training

Here the word will be used inter changeably i.e. cross (inter) cultural training as i did not find any significant differences between the two words. Cross Cultural training enhances the flexibility, understanding and learning across cultures.

- Cross cultural training focusing on cross cultural skills need to work flexibly across the international joint venture (Mead, 2005).
- Cross cultural training aiming three outcomes, i.e. teaches about the culture, adjust to other cultures and job performance in other culture (Black and Mendenhall, 1990).

#### 1.5.6 Trust

Trust is the main issue in every type of relationship, i.e., both in social and rational issues, Elster (1998) call it 'the cement of society' and can be described as:

- Trust is willingness to rely on an exchange partner in who has confidence (Moorman et al., 1992).
- Trust is a set of mutual expectations regarding each other's behaviour and each actor's fulfilment of its perceived obligations (Thorelli, 1986).
- Inter-organizational trust exists when parent organization rely on partner's reliability and integrity (Morgan and Hunt, 1994).

#### 1.5.7 Openness

Openness is a key factor in fostering organization cooperation and communication and describes as:

- It is the degree to which the partner encourages to sharing information

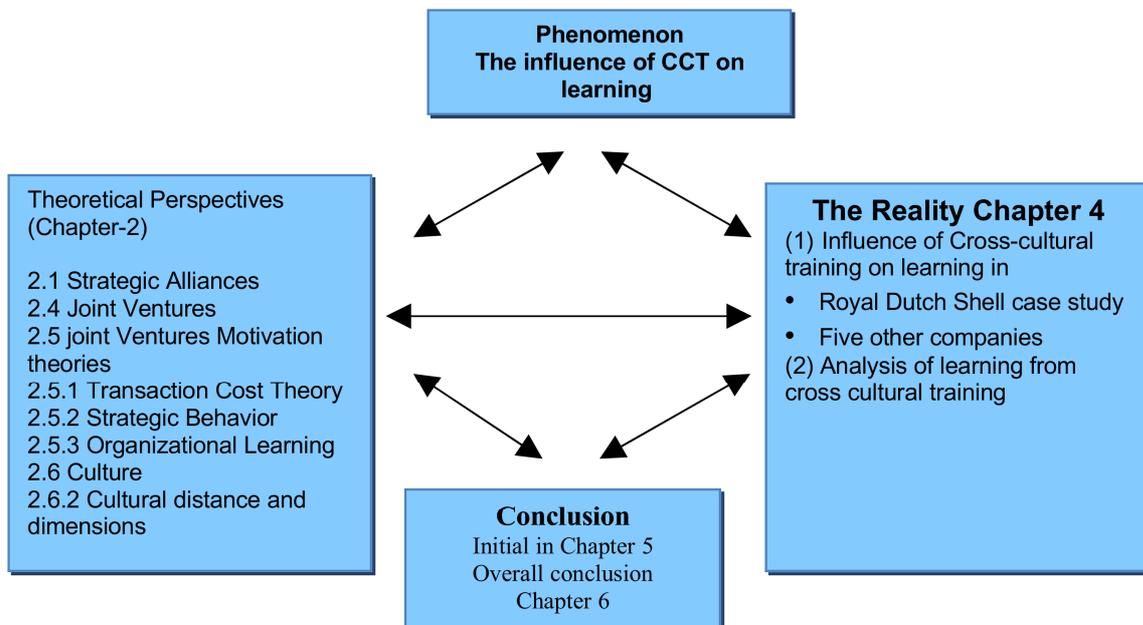
(Kandemir and Hult, 2005).

- Slater and Narver (1995) explain that its openness which provide access to the information source and enforcing the mechanism that facilitate the information sharing and offering alternative meaning to information.

## 1.6 Structure of the research

The structure of this thesis is based on the four parts model which is presented by Professor Falkenberg for carrying out a research as shown in Figure 1.1

**Figure 1.1** Research structure



Source: Falkenberg, (2008): Readings on Cultures and Ethics in Multinational Organization

As in the first box, I will represent and discuss the phenomena under investigation of why I am taking this topic of interest in this thesis i.e. what is the main purpose of this study. Why this topic is important and how I will analyze the case of interest in this paper. The second box relates the relevant theoretical frame work, model and studies carried out to analyze the subject of interest from various perspectives and make a good connection between dependent and independent variables which affect each other relating to the relevant theoretical frame work. The third box will relate and apply the said theoretical frame work on

the Case Study Company and other five organizations and will analyze the reality of how the variables are correlated with each other. We have to discover what the main research method of analysis would be.

Ultimately, the fourth part will present the findings, conclusions and recommendations based on the facts and reality which is accessed from the theoretical perspective of the case organization and the other five responses.

# Chapter 2

## LITERATURE REVIEW

*This chapter presents theories concerning joint venture, strategic alliances, culture and cultural learning, organizational learning and explicit and implicit knowledge transfers in the context of organizational learning and training for better performance.*

**Table 2.1 List of theories in the study**

Section	Number	Theory	Sub part of discussed theory
2.1	1	Strategic Alliances	2.1.1 Forms of Strategic Alliances 2.1.2 Strategic context
2.2	2	Joint Ventures	2.2.1 Motivation behind JV 2.2.1.1 Transaction Cost (TC) 2.2.1.2 Strategic behaviour 2.2.1.3 Organizational knowledge and learning
2.3	3	Culture	2.3.1 History of organizational and national culture 2.3.2 Cultural distance and five dimensions
2.4	4	Learning	2.4.1 Types of learning 2.4.2 organization as learning hunters 2.4.3 Organization learning or knowledge management 2.4.4 Knowledge and learning forms 2.4.5 Level and process of learning 2.4.6 Dimensions of learning 2.4.6.1 Learning and absorptive capacity 2.4.6.2 Partners/parents experience 2.4.6.3 Partner's interactions
2.5	5	Cross-Cultural Training	2.5.1 Needs for Cross Cultural Training

## 2.1 *Strategic Alliances*

Strategic alliances is a voluntary agreements between firms involving in exchange, sharing or co-development of technologies, products, or services (Peng, 2009, p. 189). While Lasserre (2003, p. 99) define alliance is the pooling and sharing of the capabilities between firms with the view of enhancing their competitive advantages or creating new business without losing their respective strategic autonomy. It strategically shares capabilities, resources, R&D, manufacturing, or marketing for the long term competitiveness.

Hitt et al. (2001, p. 366) described strategic alliance as partnership between firms Whereby their resources, capabilities, and competitive advantages and core competencies are combine in such a way that it create and peruse mutual interest in their operations (i.e., esigning, manufacturing, marketing, distribution). The main role of strategic alliance is leveraging of the resources.

Strategic alliances link specific facets of business of two or more firms. The core link is the trading partnership that enhances the effectiveness of competitive strategies of participating firms providing for the mutually beneficial trade of technologies, skills, products and services based upon them. Alliance ranging from arm's length contract (local alliances) to joint venture (global alliances) (Rangan and Yoshino, 1995, p. 05). Phan and Peridis (2000) looks strategic alliances from the angle of trust and long term relationship, they argue that long-term, trust-based relations entail highly relationship-specific investments in ventures that cannot be fully specified in advance of their execution. The issue of the globalization and internationalization is not new as some economic historian considers the world as more global that at the end of the 19th century. They argue that some global powers such as Great Britain, French and US were globalized due to their imperial and colonial effects and less barriers on people, money and goods movement across borders. But the two world wars beside destruction and catastrophes also offer the gifts of nationalism and protectionism due to which all business and economic activities were remain fad and restricted. But the dawn of the 21th century once again arise with the globalism and the concepts of borderless, free market and mono-cultural world (i.e., standardization) despite cultural distances and diversities.

Drucker (1995) suggested that great change has been observed in the way business is carried out due to fast growing relationships, based on partner- ship not on ownership. Firms enters

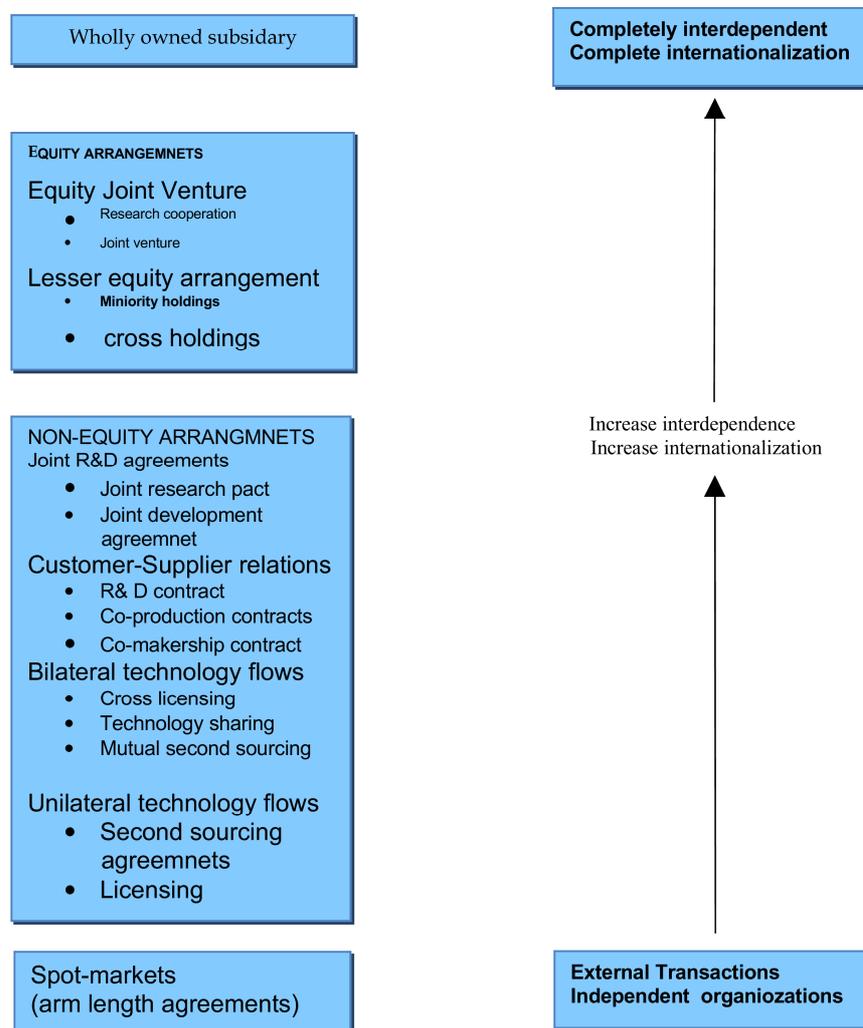
into alliances with various objectives and goals depends on its strategic needs, including reduction of risk, economies of scale, access to various markets and resources, the search for legality (Contractor and Lorange, 1988; Harrigan, 1986, in Inkpen, 2000; Hennart, 1988; Kought, 1988) and inter organizational learning has become an important rationale for their creation (Hamel, 1991; Kought, 1988; Lyles, 1988; Parkhe, 1991; Pucik, 1991).

Researchers agree that the important factor in the alliance growth is that alliances are the main source of the knowledge creation and learning. As it provide a platform for organizational learning, giving access to partner's knowledge (Grant, 1996; Hamel, 1991; Khanna et al., 1998; Kogut, 1998). In an IJV's parents often seek to learn from one another, IJV learning from its foreign parents is considered to be essential for its survival and, hence, the realization of the parents' strategic goals (Hennart, 1988; Parkhe, 1991; Inkpen and Beamish, 1997; Pearce and Branyiczki, 1997,)

### 2.1.1 Various Forms of Agreements and Strategic Alliances

Hagedoorn (1990, 1993) describes firms undertake various agreement with different motives, so these agreements are neither purely strategic nor cost economizing, as they are hybrid in nature. While Child and Faulkner (1998) narrates the strategic agreements and expansion for a single firm with respect to risk sharing.

**FIGURE 2.1:** Modes of inter-firm cooperation and extent of internalization and inter-dependence



Source: Hagedoorn and Nurala, (1999, p-290)

There are various forms of inter firm organizational modes and their collaborations with wide range of agreements, representing various degrees of inter-organizational interdependency and internationalization levels (see Hagedoorn, 1990, *for discussion*). These ranges from two extremes as at one extreme point there is wholly owned subsidiaries, which represent completely interdependency between the firms and full internalization. While at the other extreme spot-market transactions lies, where in totally independent firms engage in arm's length transactions in which either firm remains completely independent of the other and is on daily and task to task basis. While in the middle of the extremes there are equity and non equity arrangements (Narula and Hagedoorn, 1999; Aaker, 2005). It is easy to say that equity-based agreements represent a higher level of internalization and inter-organizational interdependence than non-equity agreements (Aaker, 2005, p. 207-8) consider the non

equity arrangement as the informal arrangement of the Joint Venture which emphasis simply on working together and allowing systems and organizational forms to emerge as the alliance develops. There is clear evidence that over the past two decades there has been a growing use of non-equity agreements. This trend is particularly noticeable within strategic technology partnering. As Aaker (2005, p. 207) argues that if the arrangement is more informal there is high degree of flexibility in implementation. With the problem of less strategic in nature due to commitment and low exit barriers. On the other hand consider the equity joint venture as the formal, comprehensive legal documents with unique risks (Aaker, 2005, p. 208)

Equity agreements tend to be much more complex forms to administer and control, take longer to establish and dissolve (Harrigan, 1988). The reason is since there is always wariness about the control, returns, and fair distribution in case of dissolvent.

But the issue of compatibility of the mode of the agreement and forms of the alliances are always under debate among the researchers as with time and space the mode such as of the arrangement and forms changes.

Globalization and internationalization effect the industry having short product life cycle i.e. information technology. Along with increasing competition in the race to innovate, this has tended to encourage firms to engage in contractual, non-equity arrangements.

Strategic technology partnering (STP) provides greater strategic flexibility, since firms need to have quick responses to changes in technological leadership (Osborn and Baughn, 1990). Globalization and internationalization has harmonization effects on the regulatory and legal frameworks across various countries i.e. standardizations. As the pressures from micro and mezzo institutions converge partners on specific law (see isomorphism for details). In some instances this has occurred on a regional basis (mezzo level), such as within the EU, SAFTA, NAFTA, SAARC, and ECD, while in others cases it has occurred on global basis (macro level) through institutions such as the World Trade Organization (WTO) and the world Intellectual Property

Organization (WIPO) (Narula and Hagedoorn, 1999). A large percentage of alliances tend to be international in scope. Recent formation of alliances investigation is being under- way for a more broader set of international collaborative arrangements (Hagedoorn,1993).

Another form of charactering the types of alliances is according to the motives behind

the cooperative strategy. Two groups can be identified according to their, learning relationship alliances (i.e. including joint ventures, collaborations and consortia) and skill-substitution alliances where the most forms includes virtual corporation, keiretsu and networks. The emphasis in this research is on the international joint ventures as learning alliances in order to address the cultural influence on it (Child and Faulkner, 1998).

Some joint ventures and alliances have innovation motives for its formation. But it involves considerable risk due to the like hood of the information symmetry and moral hazards i.e. one firm will learn more than the other within an agreement, and can pre- maturely terminate the agreement (Narula and Hagedoorn, 1999). Which can results in loss of specific technological assets to at least one partner due to assets specificity and lock in situation (Aaker, 2005). As it's generally occurs in the cross- border partnership due to problem in getting legal help for such conditions. So firms in such situation chose the equity agreements with clear property rights (Narula and Hagedoorn, 1999). So the development of supra national institutions (WTO, WIP, OPEC etc) and their enforcement of policies across border make the non-equity agreements feasible across borders (Narula and Hagedoorn, 1999).

Generally the learning and transferring ability of the companies varies according to the organizational form of the alliance (Osborn and Baughn, 1990; (Narula and Hagedoorn, 1999). Firms adopt selective forms of alliances depending on the objective and industry. For research and R&D intensive activities non-equity agreements are more efficient as they promote more negotiation and cooperation than equity agreements (Narula and Hagedoorn, 1999). But the equity agreements are more effective and efficient in the learning and transferring of the tacit knowledge back to the parent firm i.e. such as market-specific knowledge for entering into new market, or are engaged in production and research (Osborn and Hagedoorn, 1997).

Narula and Hagedoorn (1999) in their study found that the choice of a particular mode of cooperation varies with the industrial and technological demand. They also recommended that equity mode is suitable for mature sectors while non equity is for the technological intensive sectors.

### 2.1.2 Strategic Context

The alliance analysis is a deep understanding of the industry drivers and competitive forces that forms the prevailing position of the partners and the challenges they confront. Lasserre (2003, p. 104) explain three types of partnership corresponding to different strategic contexts and needs, i.e., *coalition*, *co-specialization* and *the learning alliance*.

*Coalition analysis* serves as a tool for the partners, where they are looking for the development of their market accessibility through coordination and geographical pooling of assets, to have synergetic effects in their operations, i.e. to reduce cost or enhance capabilities/competitiveness or integrating their product/services offering in order to gain the acceptability of their products and services (Lasserre, 2003, p. 104).

Co-specialization serves the purpose of creating new products and R&D or increasing the competitiveness through the assembly of relatively independent capabilities. It also serves the purpose of synergy. On the learning side of the alliances, the basic mechanism is to transfer valuable competencies, knowledge via technological know-how. In learning alliances the partner also designing a system of co-learning and develop new competencies together.

**TABLE 2.2:** Alliances main objectives

	<b>Coalition</b>	<b>Co-specialization</b>	<b>Learning</b>
<b>Positioning</b>	Market reach Competitive enhancement Through cost reduction Pooling of capabilities Establish standards	Create new business New product development competitiveness through specialization Complementary strength	Access to technology
<b>Resources</b>	Financing Risk sharing	Complementary resources Risk sharing	Research and Financing
<b>Assets</b>	Distribution Manufacturing Services	Complementarities of assets	Access to tangible and intangible asset
<b>Capabilities</b>	Market Knowledge	Know how	Technology
<b>Economic Value</b>	Economies of scale Economies of scope Revenue increase	Assets maximisation	Improve quality Skill development

Source: Adopted from Philippe Lasserre (2003, p. 105.)

## 2.2 *Joint Ventures*

Kought (1988) defined that joint venture occurs when two or more firms put together a portion of their resources within a common legal entity. So an arrangement of joint venture is a selection among best alternatives by which two or more firms can transact. So Joint venture theory

narrates that why this mode of transaction is chosen over other alternatives as acquisition, supply contract, licensing, or spot market purchases.

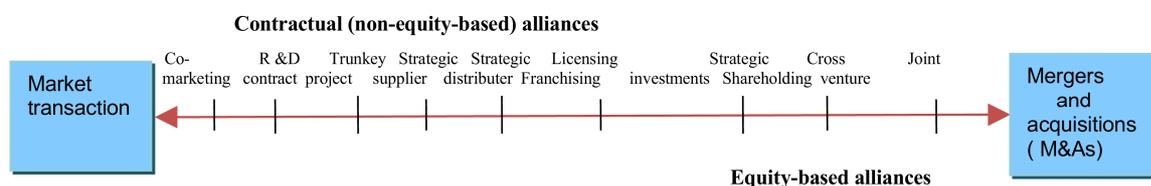
While Glaister & Buckley (1996) explain Joint ventures (JVs) as the involvement of inter-firm collaboration have inputs from all parties and are defined in terms of goals over a well-defined economic space he also explain the two main forms i.e. equity joint ventures (EJVs) and non-equity joint ventures (NEJVs).

Cooperative arrangements between firms of different nationalities varies according to different Purposes and encompass joint ventures, licensing agreements, supply agreements, marketing agreements and variety of other arrangements (Contractor and Lorange, 1988, p. 5; Root, 1988, p.69.) Joint venture can

be considered as the subset of cooperative activities. A Joint Venture is said

to international if at least one partner is form other country or Joint Venture a significant level of operation in more than one country (Geringer and Hebert, 1989; Glaister and Buckley, 1994).

**FIGURE 2.2:** Varsity of Strategic Alliances



Source: Adopted from Peng (2009, P, 189)

Writers like Killing (1988, p. 56) consider EJVs as common and traditional mode of joint ventures, results of joint forces of two or more partners in shape to totally new incorporated entity with a specified and well defined equity position, responsibilities and rights, share of dividends and representation on the director's board.

On the other side, NEJVs are agreements between partners to co-operate in certain agreed way without the creation of new entity/firms. Contractor and Lorange (1988) emphasise on the clearly and well defines rules, formulas and distribution scheme is required to govern the allocation of tasks, costs and revenues. With NEJVs, such as exploration consortia, research partnership and co-production agreements the compensation to each firm is dependent on the level of profits earned and there is at least a moderate degree of inter-organizational dependence, as is the case with EJVs (Contractor and Lorange, 1988). All other types of co-operative arrangements franchising and licensing, may be considered as contractual arrangements

where compensation is not determined by profits earned and inter-organizational dependence is low to negligible.

JV as co-operative business activities formed by two or more separate firms for strategic purpose, which lead to creation of independent business entity and allocates ownership, operational responsibilities, and financial risks and rewards for each partner, while preserving each partner unique and separate identity. This independent business entity can either be newly formed or partners stake in the new business may vary, the partners are all considered owners or parents of the new incorporated entity. They normally provide finances and resources, including personnel, until the venture is able to function on its own. It is a general trend in the Joint venture that it making a new company with self standing entity with separate aims, goals, employees and resources (Faulkner, 1995).

### 2.2.1 Theories behind Motivation to Joint Venture

Kought (1988) explains three theoretical perspectives of Joint venture describing the motivation and choice.

#### 2.2.1.1 Transaction Cost Theory

This theory point out that how firms should engage and organize its activities with others. Simply stated, Williamson (1985) point out that how firms choose to deal in reducing the various costs (i.e. production, transactions, etc.). Williamson narrates that there is high transaction costs involved between arms-length parties as compare to bilateral governance. As joint venture is bilateral governance so it straddles the border of two firms, and different form the hierarchical agreements i.e. vertical integration. As two or more parties/firms claim ownership and control rights over the use of the assets and residual values. Why firms choose to share the ownership? It is clear form the argument to minimizing and managing the un-related and time consuming activities and costs.

Transaction cost theory (TCT) both explain and differentiate the joint venture from the contracts, and the best suitable condition for the joint venture. Joint ownership, mutual commitment and relationship are the special characteristics of Joint ventures. Joint ventures are highly suited from of agreements- governance for the high uncertainty and assets specificity situations. It is

uncertainty over performance which plays a fundamental role in encouraging and making a joint venture attractive over a contract.

A joint venture is a mechanism and governance form which addresses uncertainty in vertical and horizontal chain, moral, transaction cost and problem of appropriable hazards, by creating a superior monitoring mechanism and alignment of incentives and rent for the partners to reveal information, share technologies, and guarantee performance.

Instrumentally achieving the alignment are the rules of sharing costs and/ or profits and the mutual investment in dedicated assets (i.e., specialized assets). Thus, both parties affected by the venture performance because of the mutual hostage position for the partners. As this is analogous to the Game theory as both parties cooperate and have trade off of benefits i.e. Pareto optimal situation.

In case of non-equity contracts one can also reduce the uncertainty and provide similar incentives by written agreements and in a clear language and rules of specified profit sharing, along with administration procedures for control and evaluation. But the joint venture is differing from the non equity mode by not specifying the ex-ante performance and behaviours.

A joint venture handle the issues of imitation, free ride of the brand, label or technological advantage by a superior alignment of incentives through a mutual dedication of resources with better monitoring capabilities through ownership control rights.

In short the critical job of a joint venture is to resolve high levels of uncertainty over the behaviour 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 (Kought, 1988).

#### 2.2.1.2 Strategic Behaviour

There are various motivations to joint venture for strategic reasons. Transaction cost and strategic behaviour theories are interchangeably used, rather their basic chemistry is different from each other. Transaction cost theory emphasis on the transaction mode and minimization of production and transaction costs. While Strategic behaviour explains that firms transact for the sake of profit maximization through improving a firm's competitive position vis-à-vis rivals. The theory of transaction cost is useful in analyzing problems in bilateral bargaining. But the

decision of joint venture may stem from profit motivations and, in fact, may represent a more costly, though more profitable, alternative to other choices. So, transaction costs focus on the specific costs to a particular economic exchange, independent of the product market strategy. While strategic behaviour focus how competitive positioning affect the firms asset's value. Potentially, every mode of vertical integration is suited to joint ventures, from tying downstream distributors to depriving competitors of raw materials and to stabilizing oligopolistic competition. Many joint ventures are, motivated by strategic behaviour to deter entry or erode competitor's positions. Vickers (1985) analyzes joint ventures 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 forestall entry. But given free-rider problems, incumbents would tend to under invest collectively in the absence of collusion.

A strategic behaviour perspective of joint venture choice implies that the selection of partners is made in the context of competitive edge. TC reflect minimizing costs, while strategic behaviours predicts that joint venture partners will be chosen to improve the competitive positioning of the parties, whether through collusion or through depriving competitors (competition) of potentially valuable allies (cooptation). Thus, two important differences in the implications of a transaction cost and strategic behaviour analysis are the identification of the motives to cooperate and the selection of partners.

### 2.2.1.3 Organizational Knowledge and Learning

Transaction cost and strategic motivation seems to be the key drivers for the explanations and providing economic and rational reasons for joint ventures.

There are, of course, other explanations outside of economic rationality (Kought, 1988). For example, Cartwright and Cooper (1995) distinguished between economic (hard) and non economic issues (soft/mushy). American Sociologists like DiMaggio and Powell (1983) depiction of mimetic processes of firms' offers an interesting alternative point of view and relate joint venture to a fashionable and trend setting pattern.

Organizations restructured themselves follows similar organizations in their fields to be successful or more legitimate. And the adoption of certain structural changes and models of the universality of mimetic processes enhance efficiency (DiMaggio and Powell, 1983). So, joint venture activity can be seen as a fashion, trend- setting or copying the successful practices and strategies. Kought (1988) described a third rational side for joint ventures which sets on the

learning capabilities rather than transaction cost or strategic behaviour motivations. This explains that firms learn and retain their capabilities through Joint Ventures. The learning firms consist a knowledge base what McKelvey (1983) calls 'comps', which are not easily diffused across the boundaries of the firm and need a carrier for the diffusion. So Joint ventures act as a vehicle for the transferring of tacit knowledge (Polanyi, 1967). 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. The perspective of knowledge and learning is identified with a transaction cost argument, although it is explained by the organizational and cognitive factors rather than that of opportunism and hazard(s) (Kought, 1985). Tidd and Izumimoto (2002) report that it is transaction cost which influence how external know-how should be acquired. So explanations for joint ventures are a commonly embraced form of transaction cost theory that implies the transfer of knowledge and know-how in market is buried under the information asymmetries i.e. hazards of information without revealing its contents. This is as the transfer of knowledge is expected at zero marginal cost.

Teece (1977) explain that due to communication problem of tacit knowledge the transfer to technology bear non-trivial costs. It is hard to explain the reasons that why market should fails due to opportunistic behaviour due to the tacit knowledge. But Bidault and Cummings (1994) explain that collaborations are the important medium for gain knowledge and decreasing risks.

So Joint venture is a suitable form of governance not because of the tackiness of knowledge as a cost stemming from opportunistic behaviours, but rather from the necessity of replicating experiential knowledge which is not well understood, as tacit knowledge is accumulated in the individual heads and property. Tacitness is an aspect of the capital stock of knowledge within a firm. So a distinction should be made between the capitals specific to organizations and individuals what Nelson and Winter (1982) calls Skills and routines.

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 regards Joint venture is the suitable form in case of when neither party owns each other's technology and knowledge. Nelson and Winter (1982) further argue that firm go for the joint venture option because of retaining and remembering capabilities of organizing specific activities and benefiting from partner's production modern techniques.

Even if a supply agreement were to operate at lower production and transaction costs a firm may choose a more costly joint venture in order to maintain the option, albeit at a cost, to exploit the capability in the future. What drives the choice of joint ventures in this situation is the difference in the value of options to exploit future opportunities across market, contractual, and organizational modes of transacting. Thus, a joint venture is encouraged under two conditions: one or both firms desire to acquire the other's organizational knowhow; or one firm wishes to maintain an organizational capability while benefitting from another firm's current knowledge or cost advantage. The three perspectives of transaction cost, strategic behaviour, & organizational learning provide distinct, though at times, overlapping, explanations for joint venture behaviour. Transaction cost analyzes joint ventures as an efficient solution to the hazards of economic transactions. Strategic behaviour places joint ventures in the context of competitive rivalry and collusive agreements to enhance market power. Finally, transfer or organizational skills views joint ventures as a vehicle by which organizational knowledge is exchanged and imitated though controlling and delimiting the process can be itself a cause of instability.

### *2.3 Culture*

International alliances offer wide range of opportunities, resources and benefits which are drawn upon knowledge and capabilities and are uncontrollable or not available within the home or with specific country (Sirmon and Lane, 2004).

Writers and researchers like Glaister and Buckley (1996); Inkpen and Dinur (1998); Lubatkin et al. (2001); and Nummela (2003) explain and describe a wide array of benefits and advantages of firms entering into strategic alliances, but beside these carrots there are also some bitter oranges in form of challenges and threats for international alliances and joint ventures. Several researches and findings show that differences in national culture can disrupt the learning and celebrative arrangements between partners. However, IJVs also entail unique risks, owing to the potential problems of cooperating with a partner from a different national culture. Research shows that cultural differences and distance can disrupt the learning and collaborative arrangements in alliances (Parkhe, 1991; Lyles and Salk, 1996; Hennart and Zeng, 2002). The cultural difference may create ambiguities in the relationship, which may lead to conflict and even dissolution of the venture (Barkema et al., 1996; Shenkar and Zeira, 1992). Parkhe (1991) find that global strategic alliances are highly unstable structures with the failure rate ranging from

30% to 70% despite the strategic importance. And adoption of the local cultures always create additional burden for the multinational enterprises having operations in different geographic areas (Schwartz, 1999).

In recent age of globalization and internationalization, effective international cooperation and coordination is based on the effective communication and inter-cultural understanding and learning. The practices and assumptions operating in one culture context cannot be taken for granted in another, hence the urgent need to understand how different systems operate. The concept of culture is particularly important when attempting to manage organization-wide change. (Source: <http://www.managementhelp.org>).

Several definitions are presented by various writers and authors in the literature on cultural studies but in relation to this research and a business perspective, the focus is on two i.e. one Schein and the new version of Kluckhohn by G. Hofstede. Schein (2004) defines culture as a pattern of shared basic assumptions “invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that have worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems”. In this definition Schein concentrates on the concept of group to formulate, distribute, teach and internalize its shared assumption to the new members. In strategic alliance every member or partners consider others as newcomers on his behalf in to his own culture (if they are located culturally distant or different location) where they tried to teach its own culture and learn the others. Here it seems as a paradoxical situation as this process originates opportunities or threat in shape of conflict or coordination in the learning process among partners.

Contending on the definition of culture, Kluckhohn as quoted by Hofstede provides a unique version (Hofstede, 2001). Kluckhohn defines culture “as a way of thinking, feeling and reacting, acquired artefacts, the essential transmitted mainly by symbols, constituting the distinctive achievements of human groups including their embodiments in artefacts” (p. 9). Kluckhohn explained further that the essential core of culture consists of traditional (historically derived and selected) ideas & especially their attached values. Hofstede extends the concept to define culture as the collective programming of the mind which distinguishes members of one group or category from another. As renowned researcher in this field, Hofstede mainly focuses on the basic idea that culture is the learned, practiced and shared in the social collectives.

Literature asserts of culture as being the interaction of people and their mutual believe, values and practice systems. Falkenberg (2008) explains that all members of a specific culture have internalized a common set of values both in written and unwritten forms and it differs from one group of people to another.

We can say that culture is the interactive aggregate of common characteristic which influence behaviours of certain group to its environment. Here the emphasis is on the two collectives i.e. the organization in which people work for a common goal, share a common value system despite some discrepancies, as each and every organization has its own culture and value system which makes it different from others. In addition, societies are also the collative of humans and their mutual interactions in which they live. So the two collectives seem to be the same but there are some differences between organizational culture and societal i.e. for example, national cultures. And it is also important to note that one should not mix up the culture with the identity. As in some cases national cultures consist of many sub cultures and ethnicities with unique and separate identity apart from the collective national culture i.e., in words of Swanberg (2004, p. 5) supportive Organizational Culture: “One that has adapted varying personal and family nuances evident in today’s workforce”.

### 2.3.1 Organizational and National Culture in light of theory and History

The discourse on organizations is laced with the analogies of a distinct biomorphic, socio-morphic flavour. The biomorphic concept of organization’s consider that organization have a specific purpose and survival goals (e.g Barnard 1938 and Rice 1963) which goes through several life stages and cycles. While the scio/ anthro-morphic concept emphasis on the organizations personality, needs and character (Rhenman, 1973,) or with typically human cognitive processes.

There is an analogy that organizations are considered as societies within specific cultures (Silverman, 1970, in Allaire and Firsirotu, 1984).

Number of writers used the notions of” little societies”for organizations as they consider organizations as a social system equipped with social norms, values & structures. If the organizations are miniature societies then they show the Properties of distinct cultures. The personality of the individuals and members of the organizations expressed their uniqueness in terms of culture differences (Eldridge and Crombie, 1974). Organizations have cultural properties they breed meanings, values and belief system, nature legends (leaders), myths and

stories and festooned with rites, ritual and ceremonies has gaining popularity.

Morosini (1998) describe culture as not to be viewed as individual characteristic, but rather as a set of common theories or mental programmes that are shared by group of individuals and pervasively influenced their behaviours. The organizational culture compose of a unique shared value, belief and a unique perception and thinking system (Brown, 1995). This definition explain that organizational culture is associated with work place and contract of employments which may be short or longer in some cases. The organization has specific cultures and unique identity from its establishments which effects its members in two ways i.e. allow & constraints the actions of its members (Alvesson and Willmot, 2004). Thus the concept of organizations as institution and its control mechanism directly come to one's mind. And this organizational control is achieved by designing and applying appropriate structures, procedures, measures and targets through shared meaning, values, beliefs, ideas and symbols as targets. Sociologists act to elide the distinction between the organizations and their institutional environments by stressing the strong connection between processes occurring at societal (and even transnational) levels and the structure and operation of individual organizations. While some organizational sociologist focusing on the cultural cognitive aspect emphasising the extent to which the modern organization is an institutionalized form. They also insist that rationalized organizational practices are essentially cultural and are very much at the core of modern culture precisely because modern culture is organized around instrumental rationality. The movement of employees in organizations is dynamic process as they are entering and leaving at continuous intervals. It can be stated that culture of organization effect the patterns of employments (recruitment and selection processes), people (HR) career paths (promotion), educational back ground and their standings in the society. The culture of the organization may embrace them. It may reject them. But the practices, which people have learned within the framework of a particular organizational culture, may be more deeply embedded and shaped according to their national culture. Organizations are system with goals (Parsons, 1960'), purpose (Barnard, 1938), needs (Selznick, 1957, DiMaggio and Powell, 1983), in functional interactions with their own environments. Therefore socio-cultural system does not conceived organization as a different from its culture and society with some exceptions. Parsons (1960, p. 20) argues that organization's value system must be sub value system of the high order one, so organization is always defined as a subsystem of a more comprehensive social system.

Falkenberg (2008) point out that one group culture is different from other and sometime cultural boundaries follows national culture, but not always. As group or organizational culture is the sub culture of the national culture(s). Again using the notion of Falkenberg (2008) that different cultures have different institutions and organizations, and there is a needs to learn about these differences and must learn to work with them, otherwise it will be problematic for ones who does not have the first hand knowledge and experience of other cultures and their institutions.

National culture is deeply in veins people and in their routines. It is the mental software or programme which takes place during childhood, grow and reinforced during a lifetime while living in a particular society (Child and Faulkner, 1998). That is why national cultures (other country/ partner culture) become a significant important factor in joint ventures.

Cultural diversity and difference become apparent when two or more partners from different cultures/ countries working in the joint venture and at the extreme it can be enigma of otherness. It will be right to say that these other national cultures are acts like institutions for joint ventures partners which converge two organizations- partners with different cultures at one point, as the two organizations with different cultural background working together in joint venture are exposed to same environmental conditions acquire a similar form of organizations which human ecologists like Hawley (1968) call isomorphism. While DiMaggio and Powell (1983) focusing on the Institutional isomorphism. As in words of North (1990) these institutions provide the rules of the game by regulative, normative and cognitive pillars, where organizations acts like players. For this reason national cultures become a particularly significant phenomenon in alliances, which are transnational rather than domestic or country/company specific. The culture diversity and otherness becomes apparent and prominent when two or more companies from different countries/cultures work together in joint venture or alliance.

Cultural distances and diversity are the main cause in the interaction between companies (Lane and Beamish, 1990) the greater the cultural distance the bigger are the differences in organizational and administrative practices, employees perceptions and interpretation and various approaches to strategic issues and handling strategic problems (Kought and Singh, 1988, Schneider and De Meyer, 1991).

Here in case of international joint ventures, the concern is with the societal contexts of the culture. The societal view is argued by the structuralists that structure creates cultures, while the culturarists views that cultures create structure. It is a paradox situation as both have effect on

each other, depend on the time, place and situation. As at the micro and some time at the macro organizational level, organization creates structures and control, i.e., MNCs working in small and inadequate institutions countries, but in the mezzo and macro level its culture (i.e., universal norms/ ethics) which creates structures. In international joint venture the cultural variable is the partner's national culture. National culture has great influence when companies from different countries work together (Park and Ungson, 1997). Cultural differences are mainly evident in the decision making, communication and management styles, strategic problems solving approaches, interpretations and symbols used in the knowledge flow and in languages (Fedor and Werther, 1996).

### 2.3.2 Cultural Distance and Dimensions

Most studies viewed cultural differences with respect to the level of cultural distances, diversity and otherness between countries. In the language of mathematician and economists it is an arithmetic computation of two countries or organizations cultural indices, while cultural differences refers to the dissimilarity of partners nationality (Kought and Singh, 1988). While the researchers at the University of Uppsala-Sweden relate it to somehow to "psychic distance" between two countries. By "psychic distance" means that the degree to which a firm/partner is uncertain of the characteristics of a foreign market due to differences in culture and language of the home of the partner's country distance (Johanson and Vahlne 1977). Kought and Singh (1988) estimated national cultural distance as a composite index based on the deviation from each of Hofstede (1995) national cultural dimensions i.e. Power distance, uncertainty avoidance, masculinity/ femininity and individualism.

Cultural distance built on Hofstede five dimensions which is valuable, reliable and applicable because Hofstede (1980) work is unique because it offers a mechanism whereby a culture-value can be assigned to a particular group of people. This group is determined by a geographical boundary. Although, I acknowledge there are various criticisms and drawbacks in his model with respect to recent time. But it is still considered an authentic so I will use it in this research as measure of cultural differences. The cultural five dimensions of Hofstede is derived from the research project based on differences in national culture among matched samples of business employs in various branches of IBM study, across more than 50 countries, as well as a series of follow up studies on other samples (Hofstede, 2001).

Previous studies on the influence of cultural distance often used an aggregate measure based on the four dimensions in Hofstede (1980): power distance, uncertainty avoidance, individualism, and masculinity (Kought and Singh, 1988). Hofstede's more recently developed fifth dimension, long-term orientation (or Confucian dynamism) has received less attention, perhaps because scores were available for only twenty-three countries (Hofstede 1991).

Where power distance (PDI) measures the degree to which people accept the unequal distribution of power while working in the organizations. It also provides solutions to basic problem of human inequality. Uncertainty avoidance (UAI) represents the degree to which people tolerate uncertainty, ambiguity and unknown future's solutions. Individualism versus collectivism stands for the preferences, belongings and integration of people relating loosely knit versus tightly knit social networks. Masculinity as opposed to femininity is related to the emotional roles between men and women; it also represents the degree to which people prefer values of success and competition over modesty and concern for others in the society. Hofstede and Bond (1988) present the fifth dimension i.e. time orientation which was associated with the future perspective based on the present efforts. These dimensions were as mentioned, built on as a measure of cultural distance between countries since 1988. But Kought and Singh (1988) focus on the country. Hofstede (2001) called distinct answers to same question.

Apart from the above five dimension presented by Hofstede several authors like Aberle et al. (1950) speculated some problems of societies presents an extensive list of nine "functional prerequisites of society" i.e. physical and social relation with environment, hierarchical role differentiations, communication, shared knowledge and belief, common goals, normative and regulative aspects for goal achievements, effective expressions, socialization and control (Hofstede, 2001). As some of these dimensions are relatively relevant to the new and modern organizations and societies, i.e. communications, shared knowledge, relation with environments, normative and regulative aspects and control mechanism are backbone of technological and modern organizations. But due to lack of empirical testing these dimensions are resting in the cold corner, which need more research and empirical support. The present research builds on Hofstede five dimensions, including long-term orientation representing cultural distance, which will allow for the comparison of different cultures in a quantifiable way addressing both the extent and respect of culture which makes them different from others.

## 2.4 *Learning*

Learning occurs when we detect and correct error. Error is any mismatch between what we intended an action to produce and what actually happens when we implement the action. It is a mismatch between intentions and results. Learning also occurs when we produce a match between intentions and results for the first time. Learning is also an action concept. Learning is not simply having a new insight or a new idea. Learning occurs when we take effective action, when we detect and correct error (Argyris, 1993).

### 2.4.1 Types of learning

Distinctions should be made between individual and organizational learning. Individual learning is important for organization, but we cannot say that the sum of individual learning is organizational learning. Organization unlike individuals, develop and maintain learning systems that both influence their immediate members, and then transmitted to others through organization histories and norms (Lawrence and Dyer, 1983; Martin, 1982'. Although individual learning is the foundation for understanding of the organization learning process (Nonaka, 1994).

Hedberg (1981) states that "organizational learning occurs through individuals, it will be wrong to conclude that organizational learning is the cumulative result of individual member learning". Organizations do not possess brains like individuals but they have cognitive systems and memories. As individuals develop their single personalities, habits, and beliefs over time, but organizations develop world views and ideologies. Members and leadership changes on continuous basis in organizations but organization memories preserve the system of behaviours, maps, values and norms overtime. Furthermore, organizations represent patterns of interactions among individuals that endure even when individuals leave (Hedberg, 1981; Weick, 1979)

Individual learning theory deals with repetition of speech and skills which does not describe the organizational learning. Learning change and enables organizations to build an understanding and interpretation of their both internal and external environments and to begin to assess and formulate feasible strategies (Daft and Weick, 1984). It results in associations, cognitive systems, and memories that are developed and shared by members of the organization .

**TABLE 2.3:** Learning in Organizations

Level	Process	Outcome
Individual	Interpreting	Schema, cognitive map
Group	Integrating	Shared belief structures
Organization	Institutionalizing	Structure, systems, organization context

Source: Adopted from Inkpen and Croosan (1995, p. 598)

### 2.4.2 Organizations as Learning Hunters

Due to the rapidly changing technological, social, political, economic and environmental factors, organizations no matter how they were successful in the past bowed on knees and need to engage in continuous learning (what Imai (1986) call Kaizen) for their survival and growth or and trying to close to Fat Cats beyond borders. Scholars and writers from different areas and disciplines agreed and converge on the importance of issue of organizational learning over decade because of their importance as it provide a launching pad for exploring and seeking the dynamics of organizational perception, change and improvement. But they are still divergent on specific areas. Simon (1969) defined organizational learning as the growing insights and successful arrangements of organizational problems by individuals reflected in the structural elements and outcomes of the organization itself.

The organizational learning theory was proposed by the American organizational behaviours scientist Argyris and Schön (1978, 1990; for details see single-loop and double-loop learning). Fiol and Lyles (1985) define Organizational learning as a pro- cess of improving actions through better knowledge and understanding.

The 1990s witnessed a rebirth of interest as the role of both knowledge and learning and their impact on the organization emerged as a significant area of study (Robey et al., 2000; Berrel et al., 2002). The shift from agricultural to industrial, ser- vices and now to knowledge based economy is prominent. The current renaissance is obvious in the creation of a journal about organizational learning (The Learning Organization) as well as in the devotion of special issues of several journals to the topics in several literatures (Robey et al., 2000). Organizational learning is multifaceted and diversified as Dodgson (1993) relate it to the generic nature, showing it to be a focus in scholarly fields as diverse as psychology, economics, and

organizational science (Robey et al., 2000).

Different researchers applied and used the concept of organizational learning to different domains (Crossan et al., 1999). Because of its diversified nature origins and meaning and unlikeness of shared meaning. So it is problematic to come with a specific definition of organizational learning due to various phrases than organizational learning and to distinguish the consequences of organizational learning from the learning process (Robey et al., 2000)). At one side Argyris and Schön (1978), Fiol& Lyles(1985) relates the learning and its contribution to enhance organizational effectiveness. While on the other hand Huber (1991) defined organizational learning as a change in the behaviours of an organization. Which may or may not contribute to enhanced effectiveness. For Huber (1991), an organization may acquire the knowledge needed to perform differently without actually demonstrating that potential. Garvin (1993) relates organizational learning to the processing and acquisition of knowledge and improvement of results while Huber (1991) connects it with the dissemination and interpretation of information. It is clearly valuable to examine both the consequences of learning and the processes that produce those consequences, and definitions of organizational learning tend to emphasize either one or the other. It depends on the researcher's perception and needs to identify their own conceptual foundations and assumptions about organizational learning. The organizational learning is a hot issue and appearing frequently in the international business literature, in particular with respect of International joint ventures and strategic alliances. Due to abrupt and rapid changes in both internal and external environmental forces of the organizations compelling organization to increase their learning capabilities and know-how, i.e., both from the past, follow present trends and making future strategies.

Economic historian valued learning in the development of new industries and technologies, formal research and R&D as institutionalized learning mechanism. In the present industrial economist relate learning with productivity and industrial structures. While some researcher describe close relationship between learning and innovation with the future trend (Imai et al., 1985). As internal forces originates from the belief that organization learning is a source of achieving, developing and sustaining competitive advantages in shape of knowhow, both material and human resources, innovations and capabilities etc. While the external factors stems from the technological, socio- economic and political forces influencing the business and organization structures and creating faster needs for learning and from increasingly complex technology that creates need for knowledge-based organization form (Schein, 1993).

Organizational learning not only restrict to the invention of new forms, innovation and R&D but they also adopt and diffused to other related and relevant businesses and parts of the organization and to other organizations in a given industry (Schein,1997). The strategic benefit of the alliance and joint venture is the opportunity to learn from the partner in the relationship, as basic motive of alliance and joint ventures is to gain and learning from partners, without a specific strategic/business motive no one fall in ventures and alliances. Alliance is a sort of acknowledgement that partners has useful knowledge and this knowledge has to be shared and learned. Dodgson (1993) consider organizational learning as mimetic and fashionable term as learning organizations gaining popularity in large organizations as they attempt to develop a structure and system which is highly adoptable and responsive to changes on continuous basis.

#### 2.4.3 Organizational Learning and/or Knowledge Management

The two terms Organizational learning and knowledge management are closely related and interchangeably used in recent business environments and associated with the competitive advantage and future strategies to learn faster than competitors (Vera and Crossan, 2003). It is problematic to separately discuss the two terms, several searchers Nonaka and Takeuchi (1995) make distinguish between the two with a bit confusing language.

Organizational learning is define as the process of change in individual and shared thought and action, which is affected by and embedded by in the institution of the organization (Smith and Lyles, 2003, p. 123). Crossan et al. (1999) and Walsh and Rivera (1991) explain that organizational learning occurs when both individual and group learning become deeply diffused in daily tasks and institutionalized , knowledge is embedded in routines, systems, structure, culture and strategy. Argyris and Schön (1978) explain in their famous single loop and double loop model that organizations learns through their members as they are acting like agents. They explain individual level error detection and correction. While Argyris (1993) explain that learning occurs when we take effective action, when we detect and correct error. Garvin (1993) relates the organizational learning to the processing and acquisition of knowledge and improvements. So organizational learning can be related to the learning behaviours in the organization. By this we can say that organization itself learns as an independent organism. By describing the organizational learning one should also note the importance of learning

organization.

Where Senge (1990) describe learning organization as a place where people expand their result oriented capacity what they really want, where pattern of thinking and formulation is broaden and mature over time, where collective aspirations free and members learn on continuous basis. Polanyi (1967) consider knowledge as dynamics, as argued that knowledge is an activity, which could be better describe as a process of knowing. Knowledge management is define by van der Spek and Spijkervet (1997) as an explicit control and management of knowledge within an organization aimed at achieving its company objectives.

Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knower. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms (Davenport and Prusak, 1998).

#### 2.4.4 Knowledge and Learning Forms

Last decades were witness for the formation of strategic alliances. Drucker (1995) explain these changes in the mode of business as organizations relationships in recent times as these relationship and businesses are based on partnership not on ownership alone due to certain strategic objectives. Which Contractor and Lorange (1988); Harrigan (1986); Hennart (1988); and Kought (1988) relates with sharing of risk, economies of scale, access to markets, segments and new geographic areas, and to gain legitimacy.

Researchers also consider alliance as a vital factor for the organizational learning by giving firms access to the knowledge of their partners (Grant, 1996; Hamel, 1991; Khanna et al., 1998; Kought, 1988). Through mutual execution of the alliance tasks, interdependence, problem solving, and observations of alliance activities and outcomes, firms can learn from their partners. The formation of an alliance reduces the risk of scattering the knowledge and its disbursement (Powell, 1987). Thus, alliances provide an ideal platform for learning.

Organizations are brought together because of diversities in skills, techniques, knowledge, knowhow, and strategic complementarily. The differences in skills and knowledge are the compelling force for learning by the alliance parents (Inkpen, 2000).

So organizational learning occurs when knowledge is shared, processed and analyse the potential behaviour of the partners increases (Huber, 1991).

Organizational learning is opposed by the individual learning, as organizational learning is the collective learning behaviour of the individuals, which is transformed from individuals (Spender, 1996). As the organizational knowledge is the transformed form of the individuals-human knowledge. Individual or human knowledge can be existing in explicit or implicit (tacit) forms. Nonaka and Takeuchi (1995, p. 58) related Knowledge Acquisition, Learning and IJVs Knowledge to human action. As they argue that it is individual who create knowledge, but organizations can create a context for individuals to create and amplify knowledge. Nonaka (1994) and Nonaka and Takeuchi (1995) describe two types of knowledge which is acquired from a foreign parent i.e. explicit or tacit in nature, which is embedded into the IJV organization through process of socialization, internalization, and by combining different types of explicit knowledge to create new knowledge that is useful in the IJV context. Polanyi (1967) describes that explicit knowledge can be articulated and specified both verbally or in writing, while tacit is unarticulated, intuitive and non verbalized. But Cook and Brown (1999) reported that explicit and tacit knowledge are not enough to understand the knowledge, so knowing is also important, due the fact that it is possessed by the people but knowing is not possession of anyone but about the practice & social interactions in real & physical world.

Nonaka and Takeuchi (1995) describes four modes of knowledge conversions from tacit to tacit (i.e. socialization), from tacit to explicit (externalization), from explicit to explicit combination) and from explicit to tacit (internalization).

Human knowledge exists in three different forms due to three factors. First, there is modifiability and mechanism for transferring knowledge. Unlike explicit which can be codified, articulated, abstracted formulated and transfer across different time & space independently knowing the subjects, the transfer of tacit knowledge requires close interaction and level of trust and relationship as tacit knowledge is essentially personal in nature and is therefore difficult to extract from the heads of individuals (Sanchez, 2000). The second difference is in the acquisition and accumulation of the two knowledge i.e. explicit knowledge can be generated through logical deduction, arguments which are acquired by the formal study while tacit knowledge can be acquired through practical experiences and demonstrations in a real situations i.e. learning by doing and acting, which can be best accomplished by the transfer of people as “knowledge carriers” from one part of an organization to another.

Further Sanchez (2000) point out that learning in an organization occurs when individuals come together under circumstances that encourage them to share their ideas and (hopefully) to develop

new insights together that will lead to the creation of new knowledge. Thirdly the two forms of knowledge are different in their aggregation and appropriations as explicit can be aggregated at one place and location stored in objective forms and appropriated without the participation of the knowing subject. While the tacit knowledge is personal in nature and cannot be easily aggregated, it is distributive. It need full involvement and cooperation of the owing subject for its realization. As the problem and difficulties are obvious form the tacit knowledge utilization effectively and efficiently which is also explained by several researchers like Nonaka and Takeuchi (1995) that is a key challenge for the organization is the conversion of tacit knowledge to explicit as tacit knowledge is hidden in individual heads and it is personal in nature and has no or little value until it can be converted into explicit that organization members share codified according to the organizational needs and embedded in the veins of organizational structure for short and long term benefits.

**TABLE 2.4:** Basic Beliefs in Tacit versus Explicit Knowledge Management Approaches

<b>Tacit Knowledge Approach</b>	<b>Explicit Knowledge Approach</b>
Tacit in nature knowledge is personal in nature and very difficult to extract from people	Knowledge can be articulated and codified to create explicit knowledge assets.
Knowledge must be transferred by moving people within or between organizations. People knowledge carriers	Knowledge can be disseminated (using information technologies/system) in the form of documents, drawings, best practices, procedures, manuals etc., i.e., transfer through education
Learning must be encouraged by bringing the right people together under the right circumstances	Learning can be designed to remedy knowledge deficiencies through structured, managed, scientific processes.
Attainable through imitation	Attainable through study
Tacit is unarticulated, intuitive and none verbalized	Specified both verbally or in writing
Invisible Knowledge	Visible knowledge

Organizations are different in their needs, views and importance of different types of knowledge and their ability and capacity to transform and transmit knowledge across organizations. Nonaka and Toyama (2003) consider knowledge creation as a dialectical process in which various contradictions are synthesized through dynamic interactions among individuals, the organization, and the environment. While Tushman and

Scanlon (1981) consider it knowledge creation and learning as a multi stage process. After careful cost and benefit analysis of partner and evaluation a formal joint ventures between two or more partners / parties begins. The second stage is the transformation of knowledge between the partners and to the joint venture. The third stage is the basic stage in the joint venture in which generally inter-organizational knowledge creation and learning process take place within the alliances and which is the area of my interest here in this research. It should also be note that learning process and knowledge transfer is a two way effect which can we relate to the Pareto optimality as both partners benefits from it, it is not a zero sum game, but win-win situation for all.

Badaracco (1991, p. 33-38) pointed out that knowledge is migratory, it moves readily & fast across the national boundaries, while powerful forces and sources accelerated the pace of the migration. But for such knowledge migration four conditions must be satisfied as:

1. Clarity of articulated knowledge.
2. Capability and technicality of receiver to understand.
3. Receivers must have sufficient motivation and incentive.
4. No barrier stops them.

Badaracco (1991) further identified that explicit knowledge is moving and transfer quickly, because it can be packaged in formula, procedure, design, manual or book. Since such knowledge unlike physical good and machines exist in various directions at the same time and can be extracted easily. On the other side implicit knowledge is stored in the individual mind and they take it with them when they move from one job to another or from one geographic area to another (i.e., from one country to another). So the implicit knowledge is embedded in routine and daily activities of organizations

and through joint venture the partners can get access to this unfold source of knowledge. In recent era this practice accelerated dramatically.

### 2.4.5 Level and process of learning and Culture

Pawlowsky (2001) make a good point that culture has roots in the interpretative approach to the human behaviours and rest on notion that organization members create a physical construct. Cook and Yanow (1993) describe organizational learning in cultural perspective. They relate the cultural perspective to the learning at the collective level. There are three levels of organizational learning, individual level learning, group level learning and organizational level learning. My emphasis is here on the organizational level learning, it occurs when know how is acquires through collective activities and collective construction of social reality.

Inkpen and Dinur (1998) explain that generally the knowledge moves upward in organizations and step wise process starts from the individual level moves to group level and at the top moves to the firm or organizational level.

Organization is repositories of knowledge. But how do organizations get this knowledge. The question arises since they do not have brains and cannot create knowledge by themselves (Fiol and Lyles, 1985). So organizational knowledge creation should be viewed as a process whereby the knowledge held by individuals is amplified and internalized as part of an organization's knowledge base (Nonaka, 1994). As knowledge is transformed from an individual to a collective state, organizational knowledge is created (Nonaka and Takeuchi, 1995). This transformation occurs in a dynamic process involving various organizational levels and carriers of knowledge.

At the individual level, the critical process is interpreting and sense making; at the group level it is integrating; and at the organization level it is integrating and institutionalizing (Inkpen and Croosan, 1995).

Nonaka (1994) developed the concept of a spiral of knowledge creation where the knowledge moves from down to upward i.e from individual to group and then at the up top to organizational level. As the knowledge spirals upward in the organization, it may be enriched and amplified as individuals interact with each other and with their organizations.

As mentioned before that initiating knowledge and learning in organization occurs through individual interactions. Which give birth to group and group level learning, and groups interacting and sharing knowledge leads to organizational knowledge. The same three levels in organizations as mentioned in Table 2.3 interacts with each other and in internationals

joint ventures, and leads to inter-organizational learning (Tiemessen et al., 1997).

Central to organizational learning are the process of learning that occurs in each and every organization. At individual level learning involves the intuitions, cognition and interpreting and sense making (Cook and Yanow, 1993). Intuition is the subconscious process of creating individual knowledge i.e. tacit knowledge and interpreting is the conscious process of giving and attaching meaning to specific events, tasks, set of behaviours, perceptions and data. It is the process of converting the individual thinking and intuition into some meaningful and logical form which Nonaka (1994) relates with the conversion of tacit knowledge into explicit.

At group level learning involves integrating i.e process of combining, pooling, comparing and resolving individual views into share and mutual understanding, which Schrader (1991) relate with the process of trading and comparing information. While at the organizational level learning involves integrating and institutionalizing the process of observing and incorporating new knowledge, procedures, structures, skills, strategies into the organization system i.e IJV of my interest.

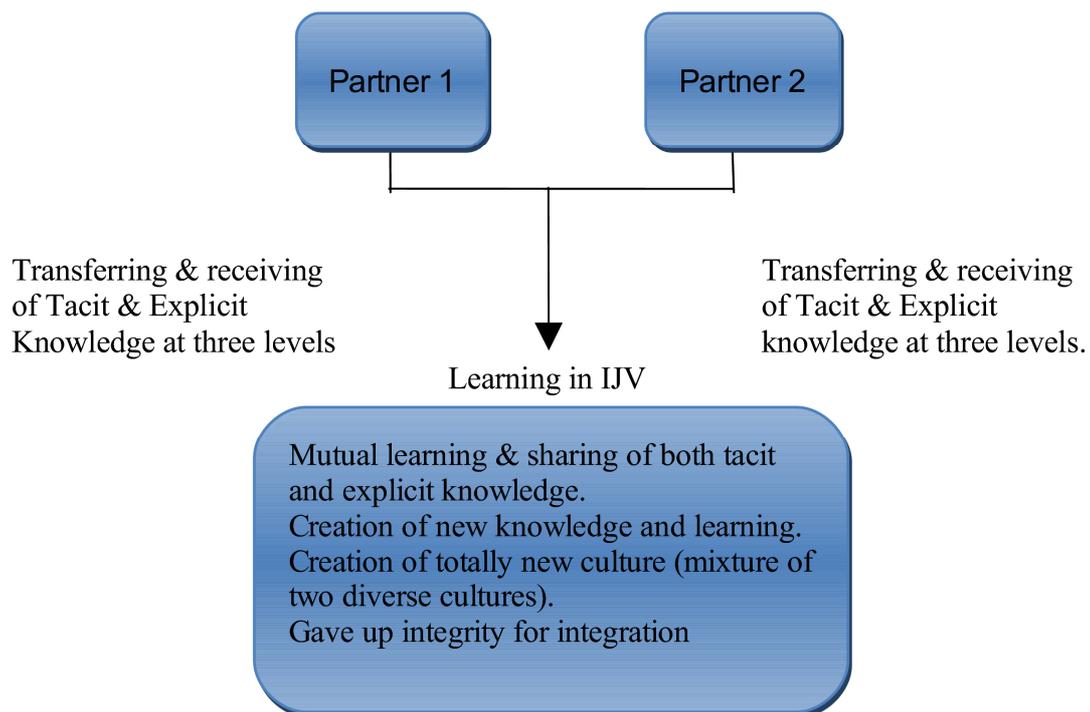
With the passage of time and changes in processes, technologies, taste and market demands knowledge in hand and memories of organizations, the firm change its behaviours in responses to short term feedback from the environmental. And the addition of new things and processes and shortness of organization memories and transience of individuals the already organizational knowledge become fad and depreciates like individuals. But organizations develop world views and ideologies.

As discuss earlier that organizational learning is the accumulation of the individual learning and individuals exhibits forgetting, but the notion of organizations forgetting is little bit blurred and different, as organizations are a big system of sharing and coordination. Organizations have structures, routines, databases and information systems that arguably serve to capture knowledge. But the organizations have also features of turnover which make it hard to retain organizational knowledge (Argote, 1999).

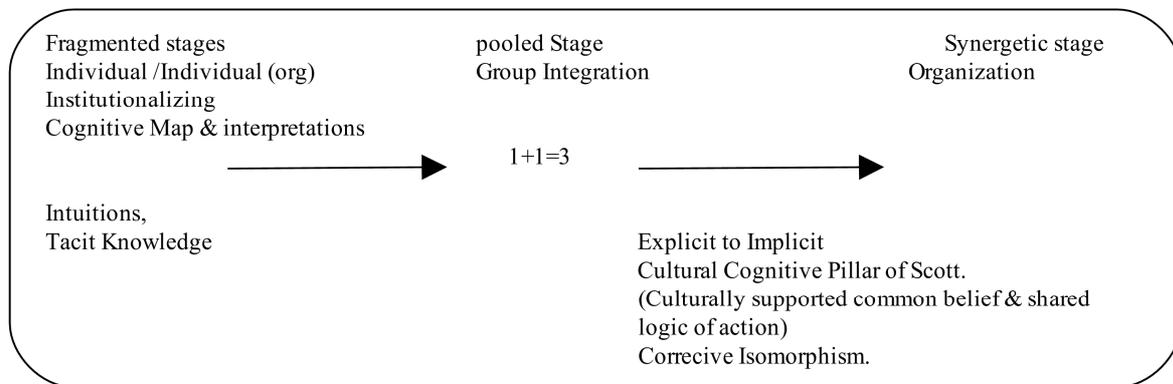
But Klein (1988) explain that members and employees leave and join the organizations at regular intervals, leadership and managements changes over time but organizations' bond keep the certain behaviours, mental maps, practices, norms, and values over time in organization's memories. But it also true that all members or leadership does not leave the organization at once and also there is a valid proof that some knowledge transfer between individuals, group and also at organizational level.

Organization's culture, strategy, structure and the environment enhances the learning process and helping organizations to keep the learning and knowledge in memories. Which embedded in the structures, procedures, systems as a part of organization's memory? To proceeds further a framework for learning process created as given in Figure 2.3 & Table 2.5

**FIGURE 2.3:** Learning Process



*Note: One should also note that like individuals, organizations also acts like individuals although with some properties of tacit knowledge, it is a combination of individuals, group and processes.*

**TABLE 2.5:** Framework of learning within IJV

In the first part of the framework there are two mutual relationships i.e. intra partner and inter partner and Joint Venture for the learning process in the Joint venture i.e. two way process of sharing and learning. The second part shows the learning process and its development in the Joint Venture. It is suggest that the process of knowledge creation and learning starts when the partners enter formally and informally enter in to mutual relationship, i.e., joint Venture. When there is a good match of industry based resource based and Institutional based considerations. When the knowledge, knowhow and complementary resources transfer from two parents, i.e., partners to the Joint-Ventura. In the initial phase the knowledge is in raw form and more tacit in nature as it is basically possess by the individuals and personal i.e. individuals and individual organizations. This is the start of the point where the partner organization member interact each other for the acquisition of the knowledge and processes and adapt to their existing pool of knowledge. At the initial stage the knowledge learned is tacit and deeply rooted in the individuals and individual organizations values, belief system, cognitive maps and perceptions and expectations of the newly formed venture. After when the Joint Venture is formed the tendency of the knowledge development is from individual to group as organization is the sum of individuals and its knowledge outlay is more than that. As the individual interact and integrate in the group through a system of integration, coordination and communication they develop the individual learning needs to happen among the group for the organizational learning.

These interactions are described as learning within the group and the organizational knowledge is the sum of the individual's knowledge obtained by the individual though

continuous interactions, integration and communication within the group. As discussed before the group knowledge is the combination of both tacit and explicit knowledge. When the individuals interact at individual and groups' levels successfully and the Joint venture gets the recognition and identity as a new entity over time some learning will take place. Many theorists explain that organizational knowledge arises from both individual and group knowledge, but there is also a crucial role of the organization as well described by Argyris and Schön (1978) and Weick (1979). So it is the organization which provides the place and facilitates the process from which tacit knowledge is transferred into explicit knowledge. As the newly formed entity i.e. Joint Venture where two cultures converge into one and a sort of corrective isomorphism. Ostroff and Kozlowski (1992) call socialization.

Here this newly established organization also acts as an institution which constrains and allows the organization i.e. two-way action of the organization.

It is suggested that culture has a strong impact on the learning process at all three levels. My main focus as described before is on organization and inter-organizational levels i.e. on the Joint Ventures. I will focus on the cultural impacts on the organization. It is a fact that the most important factor which influences the learning process and knowledge absorbing is cultural distance.

When two or more organizations make a joint venture the knowledge, know-how and interpreting are lying in the processes, procedures and systems which Hofstede called the mental programming mind set of the organizations. This is embedded in the employees' thinking, shared values, solutions to problems and contingencies, style of work all of which are highly influential in shaping the hard factors (i.e. structures, systems and procedures) in the effectiveness of implementing this knowledge, i.e., shaping of the hard side from the soft one. When the two partners' cultures are brought together under the umbrella of joint venture, it can be a potential source of learning or could be a starting point of conflicts. Horwitz et al. (2002) consider cultural compatibility as a greatest barrier to successful partnership integration. While Child and Faulkner (1998) relate culture with the potential barrier to cooperation while at the same time an opportunity of learning for the partners. It seems that culture is acting like a double-edged sword as at one side it restricts while on the other side it provides potential opportunity for learning. I think that culture differences can be a barrier or a resource. Studies show that cultural distance itself does not decide the failure or the success within joint venture. But there are other factors and dimensions which shape the learning process in the joint venture. Those dimensions are affected by both cultural differences and other

factors, i.e., situation, partners relations, partners expectations, strategic goals, time etc which leading to effective learning and vice versa.

## 2.4.6 Dimensions of learning process

Inkpen (1995) and Child (2001) described organizational dimensions for the learning process as: a) learning capacity, b) parent experience, c) partner interactions

### 2.4.6.1 The learning and absorptive Capacity

It is the ability of the firm to find and absorb the new knowledge and learning from the partner/parent in the joint venture. Cohen and Levinthal (1990) described learning capacity as the ability of the organizations to incorporate and exploit new information as basis learning. Some individuals and organizations at the individual level generally lack of this capacity due to compatibility and other related factors i.e. technology, infrastructures, organization, culture and institutions etc. Cohen and Levinthal (1990) further view absorptive capacity as a firm-level construct, which develops over time by accumulating a relevant base of knowledge for innovation.

Inkpen (1995) points out two associated factors related to the learning capacity, i.e., strength of the learning objective and strategic view of the joint venture. If a learning objective is associated with the formation of the joint venture the parents firms enter with full zeal and zest into the search for information and encoded those information more fully than the firm that is less motivated to learn (Hamel, 1991).

In most Joint Venture the basic motive is learning so we can say the learning intent already exists in the Joint Venture. Inter-organizational learning is a key motive for the formation of strategic alliances (Larsson et al., 1998).

On the other hand the question of strategic view of the joint venture is the degree to which the Joint venture is critical and important entity to the parent companies. If the parent firms consider joint venture as an important it received more attention it will play a crucial role in the knowledge, information creation and organizational reception of learning.

Organizations with a high level of absorptive capacity are likely to harness new

knowledge to help their innovative activities. Without such capacity organizational units cannot learn or transfer knowledge from one unit to another (Cohen and Levinthal, 1990; Tsai, 2001). The prior related knowledge as the determinant of absorptive capacity (Cohen and Levinthal, 1990).

Two factors are necessary for the Absorptive capacity i.e. systematic knowledge accumulation and prolonged process of investment (Zotto, 2003). An organizational unit's absorptive capacity for learning depends on its endowment of relevant technology-based capabilities (Mowery et al., 1998). Tsai (2001) related R&D with the absorptive capacity. So it can be say that continuous learning processes are necessary conditions to develop absorptive capacity.

Absorptive capacities not only assimilate new external knowledge but also apply such knowledge to commercial ends and rent earnings (Cohen and Levinthal, 1990; Tsai, 2001). However, Knowledge generated by individual organizations does not come to bear on an organization Independently (Crossan et al., 1999). Knowledge is socially constructed and Organizational learning involves a complex social process in which different units interact with each other (Berger and Luckmann, 1967; Huber, 1991). As we are interested in absorptive capacity on an inter-organizational level we shift the unit of analysis of the Cohen and Levinthal's construct from the firm to the learning alliance, i.e., the learning dyad (Lane and Lubatkin, 1998) existing between Venture Capital firm and its Portfolio Companies. Learning alliances can be seen as networks which promote social learning and therefore make linked organizations more astute collectively than they are individually (Kraatz, 1998).

According to Lane and Lubatkin a firm's absorptive capacity, that is its ability to value, assimilate and apply new knowledge from a learning alliance partner depends upon (a) the specified type of new knowledge offered by the partner, (b) the similarity between the partner firms' organizational practices/structures and (c) one firm's familiarity with the partner's set of Organizational problems (Lane and Lubatkin, 1998). An individual's learning is greater when the new knowledge to be assimilated is related to the individual's existing knowledge structure (Grant, 1996). Similarly, in order to recognise and value new knowledge a firm's prior scientific or technological knowledge must possess some amount of prior knowledge basic to the new knowledge. In this way prior knowledge will be relevant enough to facilitate understanding (Cohen and Levinthal, 1990) and therefore learning processes.

A firm's ability to internalize knowledge is greater when the learning alliance partners' knowledge- processing systems – or the more readily observable organizational practices are similar. Finally the more familiar a firm is with the types of projects and problems that the partner handles, the more readily it will be able to commercially apply new knowledge acquired from the partner (Lane and Lubatkin, 1998). As absorptive capacity is dynamic and should be developed, we add that its level depends also upon the partner firms' motivation to foster the learning alliance. Through learning alliances firms can speed capability development and minimize their exposure to technological and environmental uncertainties by acquiring and exploiting knowledge developed by the alliance partners (Lechner, 2001).

#### 2.4.6.2 Partner/Parent Experience

Inkpen (1995) described two specific sources of experience which were expected to influence the learning process in the joint venture i.e. the parent past joint venture experience and the parent present experience with the joint venture. It can be relates with the partner previous joint venture formation experience.

A firm gains experience from interacting with other firms and the experience provides a reference for future interactions (Eng, 2008).

Polanyi (1967) explains that this may include inexplicable subjective insights, intuitions and hunches for creating knowledge. Organizations learn from experience (Child and Kieser, 1981), through collective learning (Prahalad and Hamel, 1990) and socialization (van Maanen and Schein, 1979). As the parents and partner experience are representative of their national and organizational cultures and also in some cases blend of various cultures. So it seems that cultural distance will have strong influence on IJV when one partner has no experience with a specific culture or partner. If cultural compatibility, experience exist and partners know each other then the cultural distance is still exist but its intensity is low. As the partner know each other and more ready to overcome the differences.

Beckman and Haunschild (2002) explain the effect of organizational size with the parent experience. In the same note Kraatz (1998) explain that organization size is important in partners experience as size represent the firm's broad view and partner firms benefits from their diversified view, as such difference and diversified experience generate constructive

conflicts and information sharing.

The JV experience can be the action that triggers learning because it provides new stimuli that may force changes in the mental maps of the organization/partners (Nonaka and Johansson, 1985).

#### 2.4.6.3 The Partner interactions

This is based on the perspective that learning is initiated when organizations interact with their ultimate environments and are exposed to various sources of information and experiences. Hamel (1991) argue that learning opportunities varies according to the partner's motives and intentions. If the intention of partners is learning in the joint venture the partners must interact and exchange freely the information (Inkpen, 1995). In the context of Joint venture learning the area of interest is the inter-partner relationship.

Kumar and Nti (1998) explain two factors on which partners interacts i.e. collaborative strategies and managerial mechanism of governing the alliance. The partner interactions are the representative of the alliance outcome and psychological feelings attachment to the relationship. The amount of knowledge that what partner exposed to depends on the role and the degree to which the partner share the information. Kumar and Nti (1998) identified two strategies for interaction and collaboration i.e. cooperative (optimal supply of resources and information) and non-cooperative (suboptimal supply of resources and information). Westney (1998) argued that learn-ing oriented cooperative strategies involves a set of inter-organizational interactions relative to output oriented strategies. Inkpen (1995) proposed two dimensions of the learning process: the trust and openness between the partners in the joint venture. So effective communication is an essential feature of the interaction and the communication is effective when the trust and openness of the partner are at the high level. The primarily aim of this research is to find out that how the learning process is influenced by the cultural difference with in the joint venture. Two dimensions will be used in the conceptualization and operationalization. Its suggest that cultural distance have a lot of influence on the two factors shaping the partner interactions, the degree of trust and openness to new views and ideas are highly related to the cultures to each partner culture. But it is also a factor that at the sometime trust and openness are levers which affect the cultural differences and the learning process, as they shape and accelerate the learning process itself. It can

decrease the cultural differences by mutual understating, openness to new views and trust.

In the light of the above mentioned dimensions and to operationalized the relations, I will try to find the factor related to cultural differences and has influence on the inter-organizational learning process in the international joint ventures shaded by two factors, i.e., trust and openness. The most influential factor which I will use in my research is the Cross-Cultural training.

## 2.5 *Cross/Intercultural Training*

Internationalization, globalization and several aggressive FDI modes, combined with domestic restructuring, have dramatically changed the workforce of many companies (Zakaria, 2000). Brislin (1981) explain that world become the global village and people and workforce spend more of their time foreign engagements and assignments, which give greater opportunities to have direct contact with the diversified cultural work force. On the same note, Bhagat and Prien (1976) explain an important side that with the adoption of cross cultural aspect, globalization also needs a unique and high standard of recruitment and training process. To be efficient in understanding, and carried out the business in various geographic locations, cross-cultural training is fast becoming a recognizably important component in the world of international business. As both the organizational and national cultures of the partners influenced and being influenced by all aspect of the learning framework as explained before, i.e., from the individual to group and from group to organizational levels due to differences in their language, geography, food, climate, values, beliefs, perceptions, and background can also be quite different. For instance, in business scenarios, the expectations for success or failure may differ, which can be very frustrating and confusing to sojourners and expatriates. So, intercultural differences influence international business in many ways.

### 2.5.1 The need for cross-cultural training

Various authors and researchers like Bochner (1992), Mendenhall & Oddou (1985) and Tung (1981) advocated Cross- cultural training as an effective means of interaction. The importance of such training is preparing an individual for an intercultural work assignment has become increasingly apparent (Baker, 1984; Lee, 1983).

Developing ties and relationships across borders with partners and competitors to compose jointly and collectively strategies assumes the availability of the specific knowledge and skill never needed before.

The specific knowledge and skills can be explained under the name of global management competencies with various labels i.e. global mindset (Rhinesmith, 1992; Nardon, 2007), intercultural sensitivity (Hammer et al., 2003), cultural intelligence (Early, 2002) and cross cultural competences (Johnston, 2006, Gertsen, 1990). Bird and Osland (2004, p. 66) distinguish four level of competencies i.e. traits, attitude, interpersonal skills and system skills. The cultural approach refers to comply and cope with the diversity issues. Perlmutter (1969) used the term 'ethnocentric' mindset for home country dominant view in the headquarter-subsidiary relationship, 'polycentric' host country orientation in multinational enterprises and 'geocentric' refracts the global orientation. Here i mean from mindset is the mindset in term of cross-cultural skills and abilities which is best described by the Alder and Bartholomew (1992) transnational managers, who can feel the cultural sensitivity and having the cross cultural competence i.e. (cultural competence, Intercultural sensitivity and Global mind set)

The need for understanding cultural differences put pressure that the workforce i.e. employees and managers/ leaders are assigned to international joint ventures assignments that have well and first hand cultural knowledge in order to create trust and cooperation in the specific joint venture and play a vital role of communicator and disseminator and turn the diversity in to inclusion.

According to Black and Mendenhall (1990) that a successful Cross Cultural Training (CCT) aiming three outcomes, i.e. teaches about the culture, adjust to other cultures and job performance in other culture. So when an IJV is formed the managers and employees are send to their respective partner's locations to participate in various forms of training, developments programmes or in third country to learn diversified cultural competences, and improve the global mind set in cross cultural context.

Inter-cross cultural training provides the necessary skills and competences and applies them across the joint venture. Cross cultural training focus of cross cultural skills need to work flexibly across the international joint venture (Mead, 2005). As different cultures within the alliance amplifies and applies cultural diversity, and both managers and employees are deeply rotted with their local cultures, so they need the ability, skills and confidence to work with people from other cultures. This is the potential capacity of an individual.

Bhagat and Prien (1996, p. 216) put it, “as international companies begin to compete with each other in the global market, the role of cross-cultural training becomes increasingly important.” Black and Mendenhall (1990) found strong evidence for a positive relationship between cross-cultural training and adjustment.

In addition, another survey revealed that 86 percent of Japanese multinationals report a failure rate of less than 10 percent for their expatriates who have received training (Hogan and Goodson, 1990).

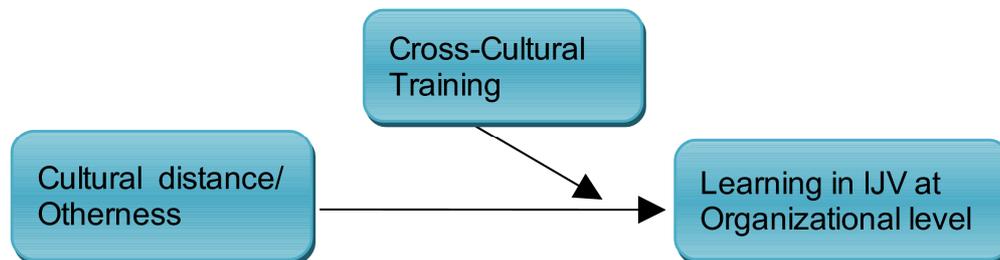
# Chapter 3

## CONCEPTUAL FRAMEWORK AND PROPOSITIONS

*This chapter describes the basic model for this study, the emergence of two cultures which results hybrid cultures for integration. Which will further extended to the proposed model of this research and formulation of propositions.*

The basic conceptual model for this research will explain the following relations as mentioned in the model as shown in Figure 3.1.

**FIGURE 3.1:** Basic Model



*Cultural learning = f (trust, openness/flexibility to alternative ideas)*

Denoted as:

$$cl = f(t, o)$$

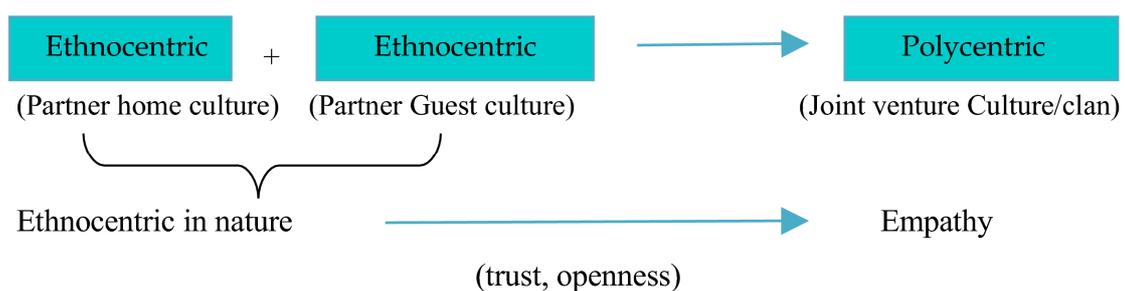
Where  $cl$  denoted cultural learning,  $t$  denotes trust and  $o$  denoted openness.

In the above mentioned model here the cultural distance and otherness reflects the measure of the national cultural differences and will be independent variable and learning process at both individual, group and organizational level is the dependent variable. But here the emphasis is on organizational level.

As explain earlier that cultural differences among partners in the joint ventures influence the learning process at all three levels. As organization is the accumulation of groups and

individuals, the knowledge, processes becomes embedded in the systems deepen and institutionalized in the Joint ventures. So cultural distance and otherness has strong effect on the learning process. As explained by Argyris and Schön (1978) that organizations learn through their members as they are acting like agents. And organizations learn from those agents but in a cumulative way. It is a fact that organization cannot create and store/memorize the information like individuals. As Badaracco (1991) mentioned the same properties or limitation of the organizations that they may not be create and store the information like individuals, but knowledge and skills are embedded in the organization routines tasks, practices and cultures. On the same note (Beamish and Killing, 1997) the learning objective in an IJV involves the integration of information acquired by individuals into the IJV collective knowledge and institutionalizes it in the organization. High interaction and cooperation is involved at this level between the members and in the parent firms engaged in the joint venture, where the cultural difference can play vital role. Cultural difference do not have influence on one direction on the learning ability within an organization, as when individuals/partners of different organizations form different culture settings come together to cooperate they bring two diversified cultures together, where they converge two cultures into one cultures, which is the best mix of the two diversified cultures, i.e., the as this newly establish culture is Polycentric in nature

**FIGURE 3.2:** Emergence of Two Cultures



Both partners in IJV shares and transfer (give and take) knowledge and they have the ability to learn collaboratively form each other's knowledge, experiences, knowhow and resources which they contribute and share in the alliance up to their limits and cultural settings. Barkema et al. (1996) call it the integration and corporate success.

On the other hand it is the culture which makes hurdles in the learning processes and become

an enigma of otherness in joint ventures.

Parkhe (1991) explain that how organizational learning is affected by different domestic context and perception of the partners in the global strategic alliances i.e. it makes the learning process problematic. Soosay and Hyland (2008) relate the problem in transferring knowledge to the complexity of social processes which take place during transferring/transitional process, to structural organizational factor and to the degree of abstraction. As learning is the result of the transferring and acquisition of knowledge, which is complex in nature, because learning and acquisition is not only the matter of knowledge, but the transfer is also influenced by differences in cultures and social interactions in the systems (De Bruijn and Jia, 1993). Several authors and researchers described that Cultural distance adversely affects international joint ventures by eroding the applicability of the parent's competencies (Johanson and Vahlne, 1977, Chowdhury, 1992; Lorange and Roos, 1991; Parkhe, 1991). Woodcock and Geringer (1991) argued that cultural differences produce inefficient principal-agent contracts, and Li and Guisinger (1991) found that U.S. affiliates whose partners came from culturally dissimilar countries were more likely to fail.

So it is clear from the factor of cultural distance that differences in national cultures, origin can generate problem to work jointly, which has direct and indirect effect on knowledge generation and learning process. Liabilities of foreignness Peng (2009, Chap. 11).

The combination of two cultures at one point, place and time could create an opportunity to enhance the learning process within the joint venture. As according to Falkenberg (2009) that for integration one must have gave up his integrity so on the same note, here in the international joint venture, partners converge their separate identity, integrity into one, and they gave up their ideas for the sake of integration i.e. in the establish joint venture .

**FIGURE 3.3:** Integration of Two Cultures

Inkpen (1995) make a reference of company's interaction with the foreign organizational and national cultures which confront the added necessity to understand and to work with them, indicating that complementary cultures facilitate organizational learning process. It will not wrong to say that cultural distance varies from region to region and country to country, but as a whole it is constant. So my supposition is that cultural distance is constant variable here, which influencing the learning process within the international joint venture. I have also the open ion that only cultural distance is not responsible for otherness, as the relation between the cultural distance and learning

process is inversely related to each other. Various factors affect this relation, which result in failure or success of the learning process. At the start of the joint venture some measure are necessary that each partner should know and considers each other's organizational and national cultures up to some extent for mutual understanding and cooperation. For that inter (cross) cultural training is act as a facilitator and catalyst to bring the partners close. As it emphasis on the understanding of different cultural perceptions as we look the world through the filter of our own values and prejudices (Hurn, 2007). So that is why I am considering this factor in formulating my proposition as:

**PROPOSITION (a):** *Cross cultural training positively influences the learning process in international joint ventures.*

To test this proposition I will study the effect of the intercultural training on some factors regarding the interaction of the partners as a dimension of the learning process within international joint venture. Beside various other factors for the success of an international joint venture, mutual trust and commitment of the staff/leaders, i.e., global mindset and leadership can develop a synergetic relationship in the integration pro- cess, i.e., venture. That is why i am trying to focus on whether

the inter/cross cultural training influences the trust and openness positively or not?

### *3.1 Trust and Inter/Cross-Cultural Training*

As explained by the sociologists that trust is the cement of the society. Moorman et al. (1993) define trust as a willingness to rely on an exchange partner in who has confidence. On the same note Child and Faulkner (1998) explain that trust is the willingness among two parties to have relationship with the belief that other's actions will be beneficial rather than detrimental to the first party. Which explain the nature of confidence in each other, that they will share and put their knowledge in the joint venture. Morgan and Hunt (1994) argue that inter-organizational trust exists when parent organization has the confidence in its exchange partner's reliability & integrity.

Trust is based on a set of mutual expectations or anticipations regarding each other's behaviour and each actor's fulfilment of its perceived obligations (Thorelli, 1986). Trust is not the 'naive belief in the honesty of other actors but rather the probability of violation of implicit or explicit agreements (Bromiley and Cummings, 1993).

It can say that trust is the perceived patterns of others not to behaving in the negative and opportunistic manner. Trust is vital for the production of both individual and collective knowledge which will consolidate resources of the firm. It is also a general thinking that no economic transaction is free of opportunism with varying degrees; it can be low down but cannot be eliminate completely. Parkhe (1998) argues that trust is required only in those situations where the possible economic damage exceed the economic gain and benefits. Thus Trust is the basis of any economic relationships between agents and necessary for successful learning.

Trust plays vital and important role in inter-organizational learning and relationships but received little attention in the literature as research on this topic surged in last decade (McEvily et al., 2003; Rousseau et al., 1998).

As learning is the outcome of the knowledge exchange and interactions among partners in the joint venture. Szulanski(1996) explain the knowledge reliability and it sources, if the knowledge source is less reliable the partner has less confidence can create problem in transferring process. Where reliability is perceived to a readiness to gave up the self cantered

and opportunistic behaviour, which is strongly associated with the issue of trust, as it is connected with the perceived level of trustworthiness of the source.

Dhanaraj et al. (2004) found that transfer of tacit knowledge in international joint venture is the function of trust and shared values and system. Makhija and Ganesh (1997) explain that more the knowledge is tacit less is the codifiable and will have problems and uncertainty in acquisition and interpretation of information.

For these reasons, the more formal and explicit forms of control will be used in relation to information flows characterized by relatively more codifiability and vice versa.

Baird et al. (1990) explain that high degree of trust between the parent companies can overcome the cultural misunderstandings. Similarly, Li and Scullion (2006) found that it is trust which facilitates the knowledge transfer across the borders.

Kale et al. (2000) explains that acquisition are difficult to codify competencies are best achieved through continuous contacts with partners. Marsden (1990) and von Hippel (1988) indicate that close contacts between individual members of the concerned organizations acts as an effective mechanism to transfer or learn sticky and tacit knowhow across the organizations. It means that there will be more trust when the joint venture staffs have more interactions. Intercultural training is back bone in the building the trust and relationship in order to overcome the confusion and barriers as.

1. In IJV members joining the specific project is ignorant of the local or other cultural and individual needs of their partner.
2. Conflicts arise due to the opportunistic behaviours of the partners.
3. Feeling of threats among partners.
4. Ethnocentrism and exploitations

Mead (2005) relates the learning processes with the trust and explains that lack of trust can leads to negative effects.

More trust among the partners competences will enhance and results in higher in- tent to acquire knowledge intention from each other and is positively related to the knowledge transferred. Partners in the relations and having trust in each other are likely to lower down the degree of protectiveness and risk aversions behaviours of the partners in the relations and increase transparency. As they tend to provide on time and accurate information to each other.

The amount of knowledge transferred depends upon the transparency and mutual trust between the parties and their intention to acquire the knowledge. So Intercultural training can overcome those barriers or at least slow down their effects up to so extent. As trust between foreign and local parents facilitates cooperation, and thus gives an IJV a better chance of success despite the cultural distance (Ng et al., 2007). It can say that trust can be the product of effective cross cultural training in the IJV can lead to the following proposition:

**PROPOSITION (b):** *Cross cultural training and learning enhance the level of trust among individuals in IJV.*

### 3.2 *Cross cultural training and openness*

Beside the trust the openness also is an important element in the relationships and especially in the IJV as it is a tool which guides the partner's interactions in organizational learning process.

Openness is the degree to which the partner encourages the sharing of information (Kandemir and Hult, 2005). While Hamel (1991) explain that openness reflects the willingness and ability of the JV partners to share information and in particular, information or knowledge embodied in organizational skills and routine. Slater and Narver (1995) explain that its openness which provide access to the information source and enforcing the mechanism that facilitate the information sharing and offering alternative meaning to information. The role of openness is critical in the shared management process of IJV as it generate team, system and learning orientations. Openness is the key to increase cooperation and communication between the partner(s) organizations which can lead to reduce the cross border differences.

So parent organizations in an open climate develop capabilities to overcome conflicts, differences and negotiate on a mutual understanding for learning.

And the openness in the relationship between the corporate and business unit managers reflects the degree to which the relations between the unit managers and corporate supervisors are open and informal which allows the free exchange of ideas and information on the continuous basis (Gupta, 1987; Inkpen and Birkenshaw, 1994). Inkpen and Birkenshaw (1994) draw a positive relationship between the communication, trust and

openness. Managerial interaction and communication influences the openness, as the partners are interacting on the continuous basis and may lose their wariness about revealing information to a partner. In an open venture the socializations factors between the firms are involved and prominent.

According to Hamel (1991) it's the openness between the celebrative partners which is an essential element in the process of learning. If the parent firms views joint venture relationship as open and cooperative they motivate to invest resources more in learning. Hamel (1991) also mentioned that managers/ leaders from both side are willing to share and are eager to learn from the partners in an open receptive environment. Openness is an influential factor in stimulating partner learning efforts and influences the knowledge transfer in joint venture. On the same note Child and Faulkner (1998) describe that it is the openness which leads to the accessibility to the flow of information, sharing and acceptance of conflicting views and errors. But when different organizations and their members come together to learn and collaborate from each other, they converge at one point where they bring their organizational, social and cultural values. At this point, where the two culture blends, partners culturally bounded share information and accept the differences. In International Joint Ventures openness may be a function of cultural and language differences (Kanter, 1989).

$$Openness = f(cultural\ and\ language\ differences)$$

$$O = f(c, ld)$$

The problem of adjustment into another/ new culture may hinder (i.e., due to various reasons) relationship between the members of the partner firms, due to problems in communications and in perception of meanings. This is as the sharing of information in a relationship is dyadic. And it's also a general rule that effective communication is always two way process. So this shows the importance of cross cultural training, as it assists in knowing and adjustment of employees and managers to other culture.

The goal of intercultural training is to prepare people for effective interpersonal relations in interacting with other cultures (Brislin and Yoshida, 1994). The cross-cultural training can leading to better capacity in communication, how the other culture is expressed in behaviour and influencing it, thus to non-evaluative attitude towards the culture (Mead, 2005). While Eschbach et al. (2001) relate cross- cultural training with the abilities to manage

psychological stress (requiring self- maintenance skills), communicate effectively (requiring perceptual skills) and the ability to establish interpersonal relationships (requiring relational and perceptual skills).

Cross-cultural training has been advocated as a means of facilitating effective cross-cultural interactions and cross-cultural adjustment (e.g. Kealey and Protheroe, 1996; Littrell and Salas, 2005; Littrell et al., 2006; Morris and Robie, 2001).

It means that openness and sharing of information among managerial groups and employees in partner firms can be interdependent of with the degree of good cultural knowledge, cultural awareness, interpersonal relations (psychological) and good communication styles leads to the following proposition:

**PROPOSITION (C):** *Openness in the relationship among the staff of IJV will be improving through cross cultural training.*

### *3.3 Performance is the Outcome of Learning*

To measure the effect of the Intercultural training on the relationship between the cultural distance and the learning process in the International Joint venture, i will need to examine its outcome in the studied samples. As here the outcome of the learning process if definitely associated with the knowledge acquisitions which further leads to performance. The gained Knowledge from the partners when applied in a proper time and space will change behaviours, thinking and routines leading to enhanced competitive advantage and performance.

Companies can create competitive advantage and superior performance on the basis of learning and knowledge acquisition and sharing processes. But this knowledge is the result of the inter-organizational relations arrangements and its adoption which stay on trust and openness among the partners, which leads to high level performance and results.

It seems that there is some strong relation between inter-cultural training and performance but it is hard to mention that this relationship is direct. However previous studies have found some significant positive relations between cross (inter)cultural training and performance in Landis et al. (2004), Black and Mendenhall (1990) conclude a positive impact on skill development, adjustment and performance. Brewster (1995) and Caligiuri et al. (2001) relate

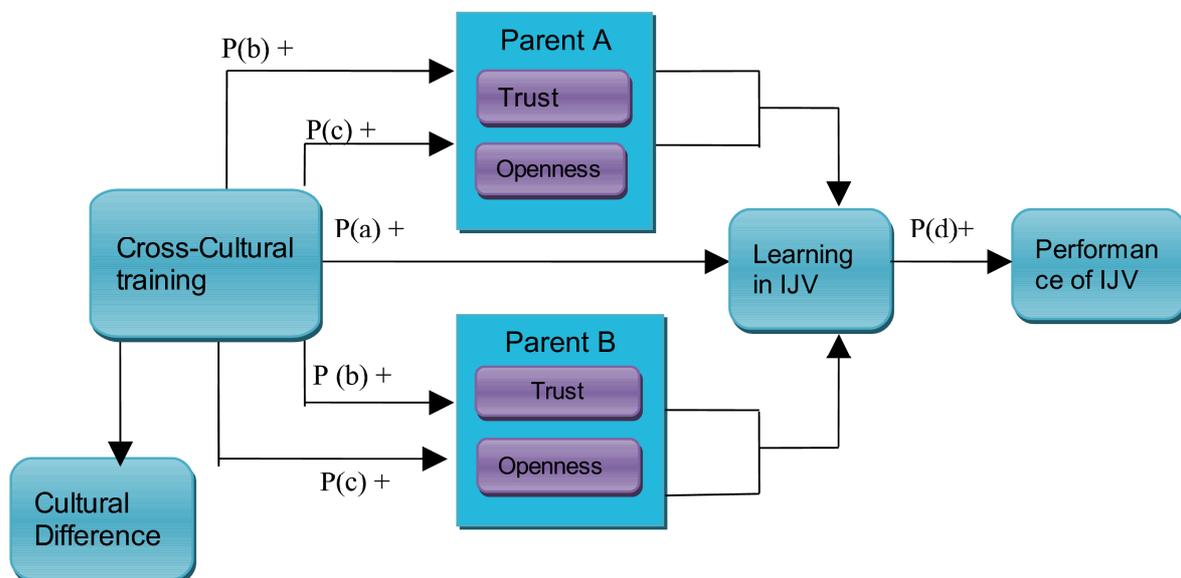
cross-cultural adjustment with the success of the global assignment. Deshpande and Viswesvaran (1992) held that cross cultural training has a strong impact on the development of cross cultural skills, adjustments and performance.

Different study findings are different due to various settings and purposes about the performance and learning outcomes. I think trust and openness between partners through global mindset are the factors which highly influence the learning process, which can be enhanced through the cross cultural training. The suggestion is that cross (inter) intercultural training can lead to better understanding and performance can lead to the following proposition

**PROPOSITION (D):** *Performance in international joint venture can be enhanced through cross cultural training.*

After the theoretical understandings and the formulation of prepositions a conceptual mode is developed as a flowchart of Figure 3.4.

**FIGURE 3.4:** Conceptual Model



As discussed before the national culture difference is the constant independent variable which is the influence of the learning process in the International Joint Venture. The learning process dimensions as explained in Section 2.4.6, i.e., learning capacity, past parent

experience of IJV and interaction between partners. The dimension which I am taking here for my research is the interaction between the partners which has two factors, i.e., trust and relationship, i.e., openness among the partners. Which is the back bone of the learning process at any level and especially in IJV? Which can highly affect the learning process and cultural differences in the diversified cultural settings? But the effect of the relationship between the cultural differences and the learning process is not the same, as other factors matters, which influence the relationship itself as discussed in 2.4.6. This research is an attempt to explore the relationship as an independent intervening variable and the trust and openness among the partners and dependent variables and important factors in learning process in IJV. I will also explore the influence of the Cross (inter) Cultural training on the performance of the IJV as a result from the process of learning, gaining knowledge.

# Chapter 4

## METHODOLOGY

*This chapter provides explanation on the research procedures, including sections on research design, data collection methods, population and sampling methods, measurements, validity and reliability, methods and data analyzing methods of research.*

### 4.1 Research Strategy

In the last chapters, relevant theories were explained and presented related to the research questions and prepositions which were conceptualized. In this part methods and tools will be discuss that have been use for conducting this research.

#### 4.1.1 Research design

This design will concern with the conceptualization and its choice of concept, measurements, subjects and data collection techniques, analysis of the report. There are two types of research designs namely ex-post facto and experimental. Here the focus is on ex-facto in order to solve the problem, because here is no intention to manipulate the independent variable which is in this case is the national culture differences. The experimental design will be manipulate through experimental design.

From the two designs of the ex-facto i.e. survey and case study will use the combination of case studies and conducting some interviews i.e. face to face and sending structure questionnaire through mail/e-mail. This research is an exploratory in nature. It is trying here to explore the relationship between cross cultural training on two dimensions i.e. trust and openness, as explained before that

$$cl = f(t, o)$$

and its influence on the performance and results of the International Joint Venture. Taking some or specific cases one can not exactly explain and correlate the three concepts , learning, openness and trust in a quantitative way. For the same reason some extra e-interviews will be conduct to explore the complexity of the three concepts in details. Therefore to make a complete view it can say that beside the explorative study, i.e., *The Influence of Cross-cultural Training on the Learning Process with in the International Alliances (Joint Ventures)*, it has also contains the descriptive elements, i.e., *learning process on the organization level in IJV*.

This research is also a type of cross-sectional and comparative study as it focusing on the recent situation and on qualitative analysis of one case study i.e. Royal Dutch Shell, and facilitating it with the results obtained from additional information gained through interviews and questionnaires in other companies. The results of those additional interviews will be analysed and compared with the case study results for consistent and reliable conclusion.

#### 4.1.2 Data Collection Methods

There are two main data collections methods, i.e., primary and secondary. This research employed a combination of literature reviews with an empirical study. The primary data for the empirical study have been collected directly from the case company which has several joint ventures in different countries. The main aim is to find out the policy of these companies regarding the cultural differences and diversities of its international alliances. In addition to case study which is conducted in Shell and it two Joint Ventures at Saudi and Egypt. Some additional interviews will also be carried out in other companies who have or involved in some strategic alliances/partnerships.

The choice to conducting this study in different companies has several reasons and logics. First of all the industry will be different in compared joint ventures, which can lead to the arguments that the learning process cannot be articulated to the nature of specific or particular type of industry. Secondly the learning process and knowledge acquisition in every industry is about the same, but the two factors which effect learning i.e. trust and openness in relationship varies across individuals, groups, companies, societies, industries and absolutely in cultures where the companies or

its ventures operating. A questionnaire was used to conduct the case study through in-depth inter-view with people involved in the company. While the same questionnaire was sent to some top, middle and lower level management of different companies' venture/partnerships to have a broader view and to gained consistencies in this research. Personal data can be collected effectively through interviews and questionnaires from individuals. In the same questionnaire, the individuals would also given the chance to get involved personally and express his/her personal opinion on the various issues and related matters of his/her choice in a free way. To make effective and to ensure that the respondents have clear idea about the information needed which falls into their area of expertise and capabilities, all were contacted and interviewed. In the case study interviews were also conducted through other sources, i.e., e-mail, telephone and mail followed by the summery and research proposal.

#### 4.1.3 Population and Sampling

The main target of the research is the Royal Dutch Shell. The internationalization plan and perspective, the cooperative strategy, diversity and inclusion of its international joint venture will provide the necessary information about the impact of cross cultural training on the learning process and ultimately on performance of the IJV. The other interviews/questionnaire were conducted in five companies', i.e., Toyota Indus Motor Company Limited Pakistan, Telenor Pakistan, Saint Gobain Ceramic Materials AS Norway, Deloitte As Norway, and JPower Japan. The companies are chosen on various grounds. Most companies have corporate head quarters/ branch offices in Norway, while JP Power is in Japan and while Toyota Motors are in Japan and Pakistan respectively. All companies are involved in international alliances, partnerships or joint ventures. The main objectives of all these companies are profit maximization and are private.

There are two sampling techniques, i.e., probability where the sampling units have equal chance of selection, and non probability, where the selection of sampling units are depends on the personal judgements And intuitions of the researchers who are get involved in research. The non probability techniques are used in this research because the numbers of elements in the population is unknown or cannot be individually identified (Kumar, 2005). This technique is use to indentified the convenient elements and the choice of the sampling units lefts on the

researchers (Malhorta and Birks, 2003). In this research the convenient elements of the sample were the knowhow, experience and the knowledge of the persons regarding the IJVs and their accessibility respond to the interview and answering the questionnaires.

In Shell Case study the samples are selected from the Explorations and Production Units (E&P), because these two units have various Joint Ventures around the globe. And have the diversity and differences of the national cultures, languages among the staff working in this unit especially in Middle East and Gulf regions associated with this unit. The choice of the sample regarding the interviews in other companies was basically based on their availability and willingness to respond and to their in-depths knowledge and experience regarding the International Joint Ventures that their companies are involved.

Apart from Case Company, fourteen other companies were contacted in total, where three did not respond despite several reminders and requests. Another three responded with an excuse that the subject area does not apply to them while one responded and did not want to participate in such survey due to certain reasons. Two promised to respond, but as at the time of analysis, I was still awaiting their response.

Five companies responded where three were interviewed while other two responded through questionnaire. A copy of short summary was also send to all companies in advance (attached in Appendix A).

## *4.2 Analysis*

This research is based on the extensive theoretical reviews of cultural, organizational, learning and performances in the context of International Joint Ventures and partner- ships. And on the analysis of the results of the Case study (Royal Dutch Shell) and the interviews and responses of the mail/posted questionnaires, due to secrecy (like in case of Egypt) in order to gain the general understanding of the said area. This research is mainly focused on the analyzing and interpretation of results of the qualitative case study of Shell and other interview/ questionnaires data. To carefully test the propositions presented in Chapter 3. Thereafter exploring the relationship that in what direction the Cross-Cultural training influences trust and relationship openness in relationship.

The same questionnaire is used in both Shell and in other company' interviews

and e-mail/post questionnaires. The questionnaire starts with the general questions in order to get some basic and background information about the respondent and of the company involved in alliance/partnerships. In each and every interview and questionnaire, the questions were asked focusing on the JV that each respondent has basic and in-depth knowledge about the Joint Venture or maintaining the joint venture.

The designed questionnaire (see Appendix B) is primarily structured around twenty nine (29) questions that mainly focus on the concept of cross cultural training and its integration with learning and performance processes of the joint venture as presented in the conceptual framework of this research. In the questionnaire it was extremely tried to relate the questions to the main four elements of the research. The responses on the first seven questions will provide the general information about the Joint venture and its businesses. The responses from question seven till ten (contains various sub questions and factors) will provide the detailed information about the performance and success of the current joint venture. The issue of Cross-Cultural Training, its main participants, length, its various type, objectives and ultimate results are known through the answers and responses on question eleven up to twenty four with several branch questions to search the concept in deep. While respondents perception on the relationship between the issue of Cross-Cultural Training, openness and trust within the JV are to extract from the responses on question twenty five (25) till question twenty nine (29) followed by sub and branch questions. During the interviews some extra questions were also asked from the respondents according to the specific case and personal views regarding various issues.

In the case study three interviews were conducted in total. Which were structured and according to the questionnaire, while the interviews at Shell HQ were mostly concentrated on the issues of Cross cultural training, diversity, inclusion and integration issues and the Shell policy. The perception of the two highly ranked and experienced respondents regarding the cross cultural training for the sake of inclusion and integration within the JV and particularly on the learning process and performance will noted.

*Note: Both interviews were telephonic the interviewee will not have face contact with the interviewer due to various reasons. The interview time was very limited just 15 minutes, and it was a sort of small lecture.*

### *4.3 Research Indicators and Operationalization*

Here the discussion will be on the operationalization process of this research, which is mainly concerned with the translation of abstract theoretical variables explained previously in meaningful and measurable variables. According to Hair Jr. et al. (2006) that operationalizing is a concept that refers to key process in the measurement model involving determination of the measured variables that will represent a construct and the way in they will be measured (p. 710). While Zikmund (2003) described operational definition as a definition that gives meaning to a concept by specifying operations necessary in order to measure it. According to the conceptual model of this research I will try to transform the theoretical concepts into such indicators that can be empirically measured and scientifically test the proposition and draw conclusions on the proposition findings.

### *4.4 National Cultural Variations*

The main concept in this study is the national cultures differences and variation of the companies in Joint ventures. As the cultural difference among the countries and companies varies, for this reason culture becomes an important phenomenon in case of international alliances rather than domestic. But here in this research it is considered as independent and constant variable. To measure cultural differences, Hofstede five cultural dimensions as explained before in Section 2.3.2 with the support of the Child and Faulkner (1998) present the Trompenaar's seven dimensions. Those dimensions are summarized by Hofstede (1992) as:

1. Power distance: It is the extent to which the less powerful members of the organization and institutions within a specific area or country expect and accept the unequal distribution of power. And people having international exposure are aware of this issue.
2. Individualism versus collectivism: Basically people regard themselves as individuals versus as a part of group and have specific identity by name, by family, by work etc. It is the extent by which the individuals are binding themselves with loose

and weak ties instead of strong and cohesive and integrative forces. In such situation everyone consider him/herself and ultimately look after his/her immediate family rather belonging to a strong group.

3. Masculinity versus Femininity: Societies in which gender roles are clearly distinct and divided between the two genders i.e., male and female (i.e., the breadwinner role for men and caring and nursing for women). Where men as characterize by masculinity. While on the other hand femininity characterized the societies where gender roles overlaps and both gender work side by side.

*\*Note: Recent literature defines gender as male, female and between them.*

4. Uncertainty avoidance: deals with a society's tolerance for uncertainty, ambiguity and unforeseen situation; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured and uncertain situations. People in uncertainty avoiding countries are also more emotional while in uncertainty accepting cultures are more tolerant.
5. Long term versus short orientation: It is basically relates to the time orientation. i.e long and short term gratification of needs, where the former is more oriented towards the future emphasizing the value of perseveres and thrift, combined with valuing ordered relationships and having a sense of shame and honour. I will also use the score of each dimension obtained by Hofstede regarding the companies to measure the cultural differences in IJV.

## 4.5 *Learning Process*

The second concept in this research is the learning process, which has three dimensions as explained in Section 2.4.6. The third dimension will be use here, which is based on the partner's interactions. This will further explain by two determinants i.e. trust and openness relationships which are used as independent variables in this study among the IJV.

**Trust:** In the study about the issue of trust in international joint ventures (Boersma et al., 2003), they indicate four different stages that developed and sustain trust over time in a joint venture, which are as:

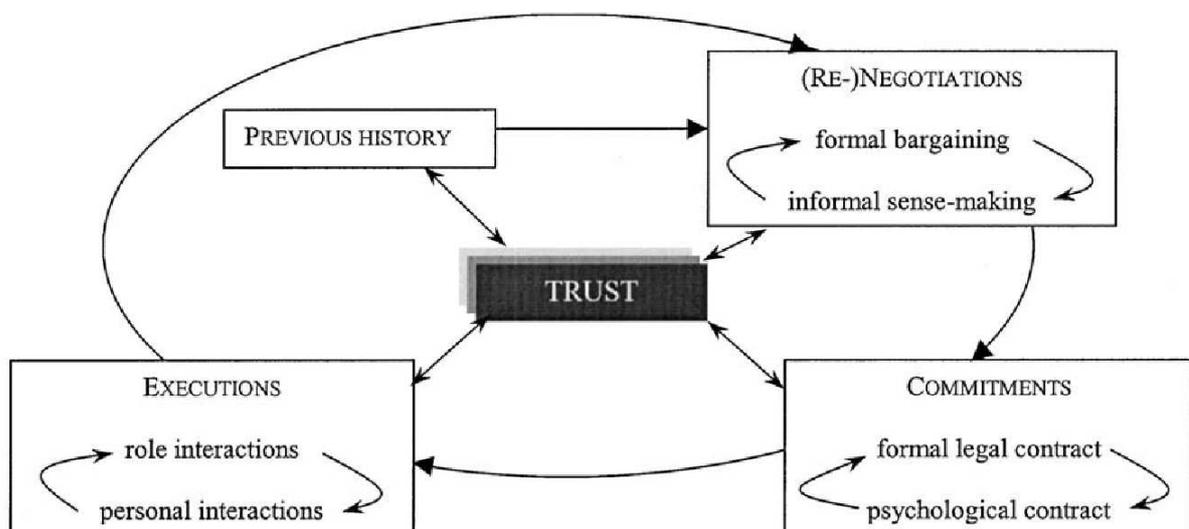
**Partner's history:** During this phase each party constructs an initial image of the other with whom they are going to create a relationship. They also look on the partners past experience, dealings, relations with other and reputation in the industry/ country. In some cases there is also past relation with the same company or one of their subsidiaries/ units.

**Negotiation stage:** In this phase the partners set together to discuss and negotiate strategic issues, which is the starting point of the trust by befriending actions from both side. The actual behaviours is discussed and perceived by each partner's engaging in the IJV.

**Commitment stage:** In this stage the will of the parties meet, when they agree on certain obligations and rules, duties and responsibilities for future action in the relationship.

**Execution stage:** In this stage where each and every thing for which the companies make commitments are put into effect and action on which the parties agreed. The control and monitoring mechanism set rules of the game (joint ventures).

**FIGURE 4.1:** Trust in IJV



Source: Boersma, M.F., Buckley, P.J., and Ghauri, P.N., Trust in international joint venture relationships. *Journal of Business Research* 56 (2003), p-1033

In this research the main focus is on the learning process within International Joint Ventures among the companies from different and diversified cultures. In order to measure the issue of trust I will use the above mentioned stages in trust developing and that how they worked in the target and other organizations in practices having various cultural backgrounds.

## 4.6 *Openness*

The second variable in this study is openness in the relationship among the partner involved in the International Joint Venture. It is openness which encourages the partners to sharing the information. So it's the openness which provide access to information sources (Slater and Narver, 1995). So the relationship involve openness need extensive communication for a truly cooperation (Inkpen, 1995). To measure the communication in an International Joint Venture between the partners from different cultures. Here in this study i will use the five intercultural communication indicators presented by (Hawes and Kealey, 1981). As it is related to the social and integration issues and are focusing on the relationship with other from or investing in different culture. Those indicators are as:

- Social and professional interaction with others
- Knowledge and interest in other's languages
- Know how of non-verbal communication
- Tendency towards cooperation, relation and collaborations
- The degree of tolerance and openness towards guest cultures (non ethnocentric view)
- Professional and practical knowledge about the other culture.
- Concern regarding the training issues with others

Apart from the above mentioned indicators there is also very important aspect regarding the issue of openness among the Joint Venture partners is awareness (i.e. cultural awareness). As such awareness includes the knowledge, information and understanding of both traditional culture in general and specific cultures of the partner's organization i.e.

behaviour and political views etc. (Child and Lu, 1996).

Sue et al, (1982) identified four awareness indicators which are my points of discussion in this research as:

- *Self awareness*: The managers and employees are aware of the facts that their mental programming and their way and of living has shaped by the results of the culture effects, in which they born, live and grown up.
- *Consciousness*: It is the knowledge of individual about his own and others (partner) culture and the biases about the two cultures and how this effects the interaction of the culturally different background people and employees in the relation.
- *Necessity of being comfortable with differences among others*: It is the degree at which the employees learned to accept the differences of the various cultures and feel comfort while working with the diversified people.
- *Sensitivity to circumstances*: It is related with the sensitivity of interaction and the working conditions; which h shows that there is not always a state of comfort. There may be a certain group of people with which the interaction is very hard.

Job performance in other culture: It explain that how the culture and culturally rot- ted behaviours influence the working attitudes in shape of performance, perception of problems, motivation, participation and motivation, span of control and authority, reasonability and conflict resolution and overall organizational climate and culture. This relates to how cultures influence attitudes towards specific tasks both formal and information interactions i.e. communication and information sharing system, organizational system and professional network. Those dimensions are well explained by Mead (2000) as

- Documentary and visual studies which reflects and teach us a country's history, economy, institutions and culture through various visual aids.
- Cultural assimilation
- Practical working on real scenario in shape of Cases
- Partial and working in fields while working in actual settings
- Language and communication training skills.

## 4.7 Cross-cultural training (CCT)

The cross cultural training (CCT) is the most important variable in this research. It is the intervening variable which has great effect on dependent variables, which meant to bring more conciseness and precisions to the analysis and results. But is very hard to say that Cross cultural training is an abstract concept, as it affect and being affected by number of factors according to time and space. So the conceptualization deals not much with defining this variable, but rather than specify that how it will be measured and access.

Initially the most crucial and varying factor about the cross cultural training is the presence and absence of the said training. However there is a great variability among the type and need for the cross cultural trainings depend. Here its consideration is useful in this research in order to add the precision and accuracy up to some extent in the measurements. Two other variables i.e. goal of such training and various methods adopted for such training are used, where the former will be used as dimension while the later is used as indicator. There is a big question mark on the issue of specific training that whether or not the training, its main goals and objects and the method of training took place. Measuring the performance on the basis of goals and methods of specific training, the Cross –cultural training consider as a variable in this research becomes more accurate. As mentioned in section 3.2.8 the three outcomes proposed by Black and Mendenhall (1990) which are essential for a successful Cross-cultural training, which i will use as dimensions in this research as it teaches:

*About the other (i.e., partner) culture:* What are the most important values in a culture; how it reflected in the historical, political, judiciary and economic events and incidents; how individual and group express their cultural value and emotions.

*Adjustment to other culture:* It is the ability to develop a relation with and adjust himself with the other culture, i.e. showing non evaluative and non comparative attitudes towards other cultures.

*Performance and learning outcome:* It is argue that Joint ventures are the best form of arrangement in risky and uncertain conditions and high tech in duties but in most cases it the other side of the picture. It is hard to access the Joint venture in a quantitative way. As Anderson (1990) suggests qualitative measurement of Joint venture is better and easy. Based

on the Anderson's support for subjective managerial assessment of performance and the supportive work done by Boersma (1999) to measure the success and performance of the Joint venture as:

- Assessment based on learning results, i.e., the partner's satisfaction with the Joint Venture, the degree of the partner's affective evaluation of the alliance relation and interaction.
- Evaluation of the joint venture activities, including operations and productivity, perceived performance average rating of the Joint Venture, age of the joint venture and the expectancy of the joint venture age.
- Assessment of financial performance and economic health of the joint venture, the managers and employee overall level satisfaction with the Joint Venture and the managers perception of profitability, customer service, market share, new contracts.

I hope to obtain the scientific results by measuring and analysing the respondent's responses, which will support or contradicts my propositions and will add value in this research. The Table 4.1 will summarize the shift from the theoretical to empirical research finding

**TABLE 4.1:** Shift from theoretical to empirical findings

Main Concept	Variables	Dimensions	Indicators
National Cultural Differences	Independent and constant	Hofstede Cultural Five Dimensions	Hofstede's five dimensions scores
Cross-cultural training	Independent	Knowhow about other cultures Ways to adjust to other cultures Job performance factors within joint venture and working with partner from other culture	Documentary/ Videos, Visual Studies. Cultural Simulation Field and Practical experience Cases Language and communication skills training
Learning Process Exchange of knowledge (explicit /implicit) (partner interaction) <sup>1</sup>	Dependent	Openness in relationship and to new ideas	Proper Communication Awareness about main issues
		Trust	History of partners Past experience Mode of cooperation and collaboration Monitoring mechanisms Befriending actions The type of arrangements (contract/ written agreements) Strong bond of friendship
Performance/ outcome	Dependent	IJV Perception	Partner's satisfaction with JV The degree of partner's relationship evaluations Managers and employee overall satisfaction with the JV
		IJV activities	Age of JV Performance rating of JV The expectancy and longevity of JV Cooperation on new projects Perception of operation and productivity
		Financial health as main indicator of performance	Top level perception about Profitability, customer service, market share and new contracts

<sup>1</sup>)The main focus is on the partners interaction for learning

## *4.8 Validity*

This part will concern with the concept of the reliability and validity of the data and this research. We need to ensure that indicators that we are using to measure a concept can work in an accurate and consistent manner or not. These pre-requisites calls for validity (accuracy) and reliability (consistency).

As reliability is the degree to which the observations or measure are consistent and stable or not. Validity is the extent to which a construct in the questionnaire is able to measure what is supposed to measure Hair Jr. et al. (2006, p. 246)). While Remenyi et al. (1998) relate it with the degree to which what is observed or measured is the same as what was purported to be measured. Cooper and Schindler (2008) further explain the two forms of validity i.e. external and internal validity.

The external validity of research findings is the data's ability to be generalized across persons, settings, and times; while internal validity confirms the ability of a research instrument to measure what it is purported to measure.

The issue of validity and reliability will be related to the subject of research design, the data collection methods, the selection of population and sampling and the operationalization to ensure that all the aspects of the research are covered and verified.

## *4.9 Research Design*

The issue of reliability and validity in the research design are concerned with the qualitative techniques of the case study in the Shell exploration and production units (E&P) and the some interviews and sending questionnaires in other companies to ensure the reliability and validity. The research design is quite reliable as it rest on formal and structures quaternaries' on pre-arranged and control order and set of direct questionnaire which are set to check the consistency of the findings and results. But some open ended and informal questions were also asked in interviews from the respondent according to the specific case of

joint venture/ partnership, which may influence the reliability of this research design. Although as concern to the validity of this research design it is on high side, because of the inclusion of various dimensions and indicators in questionnaire which shed lights from different angels on the research subject in different settings. This is in order to reflect the meaning of the main theme of the research. While on the other hand the administrating questionnaire does not include the new dimensions and indicators as per suggested by the respondents.

The in depth interview with open ended questionnaire is more effective to get the true pictures and orientation of the respondents. That is the reasons that some open ended questions were asked in most interviews to gain the in-depth understandings.

#### *4.10 Data Collection Methods*

The main source of data collection in this research is mainly the secondary data and the previous work done in the literature, bulletins, news and various updates in the relevant fields about the case study company Shell and its relations. Which in general have good level of reliability as the secondary data was collected and retrieved from the work of well know researches and experts. The nature and validity of this data source is moderate, because the literature review is based on the latest research and updates and the subject of those literatures and sources are related to the research main objectives. Nevertheless, the data retrieved from the literature is not specifically collected for this research.

Since people (i.e. employees and managers working in JV) are the main sources of data collection in this research. But here are some concerns about the reliability of data, i.e., may be low, due to human error and biased by personal opinion, perceptions judgements and subjectivities. It is also a truth that during interviews and from the questionnaires data most of the respondents were optimistic and rarely do they talk about the negative side of the company, relationship or JV as they always supports their concerned organizations. But overall responses have general personal bias due to differences in experiences. Despite the facts that some respondent manipulate and questions and took the interview questions away from the main objective, which can lead to adverse effect on the validity of the data. Although no stone was unturned in term of gaining validity as the questionnaire is specially design in a detail way to the research goal.

### *4.11 Population and Sampling*

The main population used in this research is the case company i.e. Shell and more specific, the Shell Exploration and Production business unit(s) and the other companies namely Toyota Indus Motors, Telenor Pakistan, Saint Gobain Ceramic Materials AS Norway, Deloitte As Norway, and JPower Japan (Power Business) were chosen according to convenience, that is why this selection is not probability. The issue of validity and reliability is quite interesting and gain attention. I can say that the reliability and validity is on high side on the basis of specific pre-conditioned well defined and formulated. This is an intrusting situation despite the fact that perception varies per- son to person and can lead to bias, but repeating the research on the same populations and sample units and methods will about give the same results (if and only if the JV and training are carried out in similar fashion, by similar people).

In case of validity of the population and the sample units is moderate in nature due to the small sample size compared to the big population. The Shell Exploration and Production unit (E&P) is one of the numerous shell business units, and the Middle East and Gulf region is the target region of this research in the E&P because of high seismic and exploration activities in the region. In case of Shell E&P unit total three interviews were made, two interviews at the Shell Headquarter The- Hague- The Netherlands while one in SKARF. While data from BAPETCO was got through sending questionnaire on ordinary mail. The interviews with other five companies were made with only one professional of each company except Toyota Indus Motors and Telenor Pakistan. Despite the facts that they were chosen according to the knowledge and experience relevant to the research subject, but in some cases it depends on the availability and convince i.e. an easy approach to specific person.

The time frame was quite limited to measure the exactly the influence of Cross-Cultural Training on the learning process. So the limitations in shape of time frame and as sample size have direct impact on the generalization of the research results, i.e., this research cannot generalize the results. On the other hand it is tried from every aspects that the required elements, factors and indicators to explore the influence of the Cross-Cultural training are included in this study. And measured them empirically which reflects substantially the true meaning of the said concept. But the results

and findings obtained from this study can still be under considerations and can be used as starting point or explain specific factors (variables) for the future study in International Business/Management/Marketing, Joint ventures and inter-firm relations (local-global).

#### *4.12 Operationalization*

As mentioned before that the reliability of the terms, concepts, variables, dimensions, and indicators mentioned in this research, i.e., host and guest cultural differences, Cross-Cultural training, learning and performance of the joint venture is quite high. The aforesaid terms and terminologies are well defined, judge and explained in a detailed way from various perspectives and formulated results will be about similar with the repeated research with minor variations.

As concern to the matter of the validity of this research it depends on two factors i.e. the number of indicators used and the information source for measuring and transforming the concepts into concrete indicators. So the operationalization process in this search is mainly resting on combining, relating and exploring the previous research work, findings and formulations of previous well known researchers and authors regarding all the main concepts. From this point the validity of this research is seems high.

The process of learning in the International Joint Venture is operationalized with two variable, i.e., *trust and openness* in relationship with limited number of indicators. To operationalized the concept of the Cross-Cultural Training, as the term is very broad in meaning and understanding and has no abstract meaning as it varies over time and space (regions, cultures depends on numerous factors). So the conceptualization had not much to do with the explaining as a variable but will specifying that how to measure it from various perspectives. However various indicators and factors used to measure it, and lived up its validity to a rather good level. On the same note the validity of the performance of the Joint Venture; various dimensions and sub dimensions were used to measure the validity. The validity of the operationalization of national cultures differences is low and moderate as these differences depends on the Hofstede's cultural five dimensions and others Aberle et al. (1950).

# Chapter 5

## SHELL CASE STUDY AND OTHER FIVE COMPANIES DATA AND DISCUSSIONS

### *5.1 Case Study*

A case study of Royal Dutch Shell is presented in order to explore the influence of the cross cultural training on two main dependent factors, i.e., trust and openness based on the real relationship and contracts with various partners at various locations, but here the emphasis is on the Exploration and Production (E&P) which is highly accumulated in Middle East.

This case will begins with the general information on the target group of the research, and will moving on to the data extracted from the interviews and questionnaires send to various companies and officials, regarding the main research questions and will ending with the discussion and conclusions parts. The results of the empirical research will be described and analyzed with the independent variables in this research; the Cross-cultural training. Finally, links to the main factors of the learning process will be made and explained.

Deriving to test the propositions made in Chapter 3. This will allow making and exploring the relationship of the Cross-Cultural training and the learning process and its ultimate influence on the IJV's performance.

#### 5.1.1 Shell at a glance.

The Royal Dutch/Shell group of companies—is a global group of energy and petro- chemical companies commonly known as Shell. Shell has grown out of an alliance, made in 1907 between the Royal Dutch Petroleum and British transport and trading company Shell with 60% and 40% earning claims. Today the group has five core businesses, i.e., Exploration and

Production, Gas and Power, Chemicals, Oil Products, and Oil Sands. But the main focus of this research is on the exploration and production as it's the main source of searching and getting oils and basis of the petro-chemical industry. It is the upstream process in the supply chain of the hydrocarbon and black gold i.e. from the oil fields to the end consumer economically, environmentally and socially responsible way.

The presence of Shell in the exploration business is almost cross 100 years. It has almost 102,000 employees in more than 110 countries. Today Shell Exploration and Production (E&P) business is involved in major energy projects, often in partnership with national oil companies. Shell operations engage over 245,000 employees, almost 90 nationalities joint venture staff and contractors in 37 countries as given in 5.1 and 5.2.

**TABLE 5.1:** Shell at a glance

<b>Joint Venture</b>	<b>Royal Dutch and Shell</b>
Established	1907
Regions and Operation	110 countries
Employees (March, 2009)	About 102,000
Share in world's oil production	2%
Share in world's gas production	3%
Daily production	3.2 barrels( oil and gas)
Service station worldwide	45,000
Shell customers	10 million
Plants (refineries and chemicals, 2008 figures)	26
Ranking in industry	1
Revenue (2008)	\$458.4 billion
Income (2008)	\$26.5 billion
Capital investment (2008)	\$38.4 billion
Spending on CO <sub>2</sub> and renewable energy technologies over the last 5 years	\$1.7 Billion
Spending in low and middle income countries	\$ 19 Billion
Spending on social investment program in 2008	\$148 Milion

Source: [http://www.shell.com/home/content/aboutshell/our\\_business/previous\\_business\\_structure/exploration\\_production/exploration\\_and\\_production\\_28032008.html](http://www.shell.com/home/content/aboutshell/our_business/previous_business_structure/exploration_production/exploration_and_production_28032008.html)

\$148 million

The number of staff moving internationally per year around 1500 and the number of expatriate among the staff was about 4500 employees approximately. The proof of diversity in shell E&P business is explicitly represented the in their JV and also shows the importance of Cultural differences in shell E&P partnerships. This great diversity and inclusion is the proof of the importance of Cross cultural training in such a company and therefore it was very interesting to

research the existence of such diversity training and inclusion of diversified workforce in Shell E&P and its influence on the learning and the performance of its JVs. The shell university in Rijswijk–The Nether-

**TABLE 5.2:** Shell Policy of Diversity, Inclusion and Integration

<b>Online Training at various locations</b>	<b>Disabilities, Gender, Sexual orientation, cultural difference</b>
Inclusion of Women at Top Level	22% by end of 2009
The growth of inclusion of Women in 2008	From 4% to 14%
Inclusion of Women in Technical Field	14% by end of 2008
Inclusion of Women in Commercial	50%
Inclusion of local employee at top level	50%
Inclusion of local and women in leader position	14% by end of 2008
Periodic Cultural Training of local culture	Every six months for the top level

Source: Interview with Shell Diversity, Inclusion and Integration department.

lands and its learning centres in Africa, Middle East, Asia and USA is the proof of technical, trait and diversity, cross-cultural training and inclusion of guest's cultures.

One of the Shell key investments is in the Gulf and Middle East. The main office is in Oman with more than 15 alliances in Gulf and Middle East. Shell Exploration and Production (E&P) serving a regional boom in upstream activity, with major projects in progress in Saudi Arabia, UAE, Oman, Egypt, Qatar, Kuwait, Libya and Syria.

([http://www.shell.com/home/content/ae-en/shell for businesses/oil gas exploration production/exploration production/exploration production 2810.html](http://www.shell.com/home/content/ae-en/shell%20for%20businesses/oil%20gas%20exploration%20production/exploration%20production/exploration%20production%202810.html)).

### 5.1.2 Target Company

The first two interviews were conducted at Shell Head Quarter The-Hague, The Netherlands with leaders of Diversity and Inclusion and Integration. While in the Middle East one interview and two questionnaire responses was conducted in the Exploration and Production units regarding the Cross-cultural training in two Joint Ventures and the overall policy of Shell E&P in general. Those interviews were structured and according to the questionnaire followed by some general questions. The target Joint Ventures are with the Saudi Arabia and with Egypt. The interview with the Saudi Joint Venture was based on questionnaires, with the additional personal inputs of respondent on

the said issue. While Egyptian Joint Venture responded through questionnaire. All the respondent were provided the summary and short introduction of the research in advance to avoid miss interpretation and waste of time and was little bit change and for understanding.

The first two interviews were at Shell HQ in Netherlands, one with the leader of diversity and Inclusion while the second with the new appointed integration manager. Both interviews were general in nature and focus on the cross cultural training and inclusion and integration of the culturally diversified people working together with (guest employee or host employee) in their home and guest countries. Those programs of Diversity, Inclusion and integration are not country and project specific, but overall it enhance Cross-Cultural training for employees at all level and that will create the ways to ensure full participation and unleashing the creativity that come from different ideas and experiences while working in diversified cultures. Shell provide technical and trait training at Shell University based in Netherlands, it also sending their top managers and leaders in different cultures and regions for Cross-Cultural and diversity trainings (in Asia, Africa, America and Europe)

The interview with the joint venture in Saudi Arabia was an experienced professional in setting up the contracts and dealing with companies at high level. He almost worked more than twenty (20) years for Shell. His main focus was on the gas Explo- ration and Production venture i.e., South Rub Khali Company Ltd. (SRAK) a joint venture set between Shell E&P, Total and Saudi oil Company Aramco on December 17, 2003. But Total quitting the venture due to disappointing results of exploration operations in the vast Rub Al Khali. This joint venture was set up after a long process of negotiation. The interviewee mainly focuses on the training ,technical issues, exploration and production and cross-cultural training and its impact on performance of this joint venture. This interview was lasted for about 25 minutes.

The fourth response through questionnaire was got from Badr El-Din Petroleum Company (Bapetco) joint venture, where Shell has a 50% interest in BAPETCO with the Egyptian General Petroleum Corporation (the Egyptian national oil company) since 1983. The respondent was a senior Data Engineer- Middle East - Asia Pacific Region shell.

The respondent was engaged in training program and mainly expressed his views about this joint venture and the Egyptian management team, their style and dealings. He also explains his views as an employee working in this joint venture. Both the personal and professional culture responses were concerned with the issue of cross cultural training and its impact on the interaction between the partners.

The fifth respondent was Shell E&P regional vice president (VP) new business Middle East. Mostly the respondent focus on dealing the cultural i.e. national, organizational cultural differences and various programmes and training to improve the cultural understanding, learning and the performance of the Shell ventures in the region.

### 5.1.3 Data from case study

This part will explain and analyze inter-relationship between the cross cultural training and learning processes from the different perspectives of Shell and its alliances in Saudi-Arab and Egypt. This will lead to a discussion and explanation and will established a comparative relation between the empirical data and the propositions formulated in Chapter 3.

#### 5.1.3.1 Cross-Cultural Training

The respondents from both interview and questionnaire confirm the existence of Cross- Cultural training (on various issues) to make the workforce/staff for the working in a multi cultured environments. Such training was conducted in Shell-Saudi joint Venture before starting work on the process as this Joint Venture was a result of three years extensive negotiation and dialogue, while this training was missing from the Egyptian Venture. When this joint venture starts operations both partners did not have any idea despite they negotiate for about two years. The Shell and Egyptian company did not have enough information regarding each other's cultures and the style of business operations. The other respondents confirm the existence of the Cross Cultural training, but without a formal policy for such training to gain appropriate knowledge about each other cultures. The business units are given the freedom to adopt any sort of Cross-cultural training if they are in need. It is also interesting that one of respondent working at top level did not get any Cross-cultural training while joining the Shell partnership in the Gulf region.

The Cross Cultural training at the Shell Headquarter in Netherlands mainly covers the issues of Cross-Cultural differences, diversity of employees, inclusion and integration processes in general. First it was not a policy of the company at the time of making Joint Venture with the said parents, but now Shell focusing on such issues of cross cultural training, diversity and inclusion programs. This was in order to address the Cross-Cultural diversity and inclusion for

good understanding, learning and performances.

As concerned to the Cross-cultural training, in case of Saudi joint venture the training was took place before while in case of the Egyptian joint venture the training was took place after the formal joint venture. Although the cross-cultural training was a step wise process and was taken at different time of the project, i.e., joint venture. But initially one thing was common about the duration of the Cross Cultural training that in both joint ventures it was almost three days. In case of the Saudi joint venture the training was initially based on the documentary and case studies while in case of Egyptian JV it was field experience working in the real working environment and to learn and share from each other.

Each respondent emphasize on the objective and main purpose of the Cross-Cultural Training what he/she received, whatever the main objective was, i.e. business interactions or general knowledge about other cultures. All respondents consider it important. To know about other culture is an important part of the Cross-Cultural Training in order to gain know-how about the business environments, people perceptions and preferences, their attitudes, dealings and relations. All respondents confirmed the importance of cross cultural training with minor differences in its objective. Such training is usually designed for a specific and need base approach to solve a specific dilemma or to improve the understanding and performance.

[http://www.geert-hofstede.com/hofstede\\_arab\\_world.shtml](http://www.geert-hofstede.com/hofstede_arab_world.shtml)

### 5.1.3.2 Trust and Openness

As both the joint ventures were established in totally new cultures, i.e., Middle East and there was also no past experience of partnership with the said partner companies so it was natural to have a detailed and constrained contract. The control in both joint ventures was not so much strong as supposed to be with the big player in the industry due to various reasons (may be Shell was seeking new exploration and production sites, or problem from the Government lobbies etc). In the Egyptian Joint venture there was high risk of misunderstanding among the management and working styles, because of no prior cross-cultural training or any other training about the Dutch, English expatriates of Shell. There was also a factor *exercising of power and monopoly of being a state owned company*. On the other hand the same was true for Shell as they do not have any Egyptian, Arabian culture awareness. This in both cases can lead mistrust and confusion between the Dutch/English and Egyptians. Despite the 25 year relationship, it was observed from some

responses that there is no strong social relationship i.e. Psychological bindings among the staff of the two partners. Because of the very limited learning in this joint venture and also due to facts that Egyptian employee was not open to learn from the shell (may be it will be an ethnocentric discussion) but the is also true for the Dutch employees as they do not learned much from their Egyptian counterpart.

But this relationship is seems to be one sided although the Shell does not seems as dominant, but its also a fact that Shell has edge in technological advancements, resources and training centres in various parts of the world, and like Toyota Culture, the Shell has also its own culture, so they can influence the attitudes by providing various training. In case of Saudi joint Venture Cross-cultural training was provided, which has somehow social interaction between employees as compare to the Egyptian case. Despite the relative power of Aramco, Shell seems stronger in technical and trait trainings, no respondent mentioned any Arab Company that they give training or more specifically to Shell employees. But Shell has training centre in Middle East to train the Arabs in Arab and also train their own people to know about Arab culture(s).

### 5.1.3.3 Performance

As concern to the performance of the joint venture, there was no doubt that in both case the joint ventures were good. And it's the proof that the Joint venture with Egyptian company is successful, and profitable, as both partners are working from almost 25 years in this Joint Venture with some problems of mistrust and weak relationship. It is also a fact that Egyptians are more open than Saudis, but may be this issue of mistrust may be result of lack of cross-cultural training before the Joint Venture. On the other side the Joint Venture with the Saudi-Arabia it is relatively young than Egyptian. But the responses show that it seems to be a good and have strong relationship among the parents and be the starting point of future cooperation. Because this Joint Venture helped Shell to understand the Arab culture and business attitudes and behaviors in general up to some extent and Saudi-Arab culture in specific. On the other hand Saudis also learns and understands the Shell way of business in managing and inclusion of the diversity (inclusion of women in management positions still in cold corner) in their organizational structures. The other fact is also that despite the State owned Company Aramco experiences international partnership since 1933 (i.e. when the Saudi Arabia grants oil concession to California Arabian Standard Oil Company (Casoc), affiliate of Standard Oil of California (Socal, today's Chevron).

<http://www.saudiaramco.com/irj/portal/anonymous?favlnk=%2FSaudiAramcoPublic%2Fdocs%2FAt+A+Glance%2FOur+Storyandln=en>

### 5.1.3.4 Discussion on Case Study

After data collection from the main five respondents from the Shell professionals, Shell Headquarters, The Netherlands and from the Shell E&P Units in Middle East. This data will be sorted and analyze under the research dimensions for the exploration of various views and perceptions, to check whether they contradict or support the formulated prepositions.

The Cross-Cultural training which consider is as independent and constant variable in this research, exist in both Joint venture discussed in the case study. As presented

in the conceptual model Cross-Cultural training have direct and indirect influence on the level of trust among the partners and openness to new ideas, which further influences the learning process and performance of the Joint Venture and future relationship.

By analyzing the data by the relationship openness, trust and performance indicators, the following results observed as:

### 5.1.3.5 Trust

*Partner's history:* In case of Saudi Joint Venture there was some past experience with international companies, which lead to a better trust in this Joint Venture. The Cooperation with the Egyptian General Petroleum Corporation (EGPC) was for the first time.

*Negotiation and befriending action:* The Saudi venture is the result of the three years successive negotiation and discussions, but the befriending aspect is very limited in case of Saudi case, the equity share of shell was more than Saudi counterpart when the SRAK was founded in 2003, even at that time and now (i.e. Aramco is equal partner in this JV with Shell after quitting the Total in 2008) Aramco seems the most powerful player in industry. While in Egyptian case is almost absent but somehow it is present due to the fact that Egyptians are more open than Saudis.

*Commitments and contracts:* In both cases the contracts were detailed one with clear duties, responsibilities' and obligations, due to the high sensitive nature of the business and both national and organizational cultural diversities

*Execution and monitoring mechanisms:* The execution of the contracts and agree- ments are good and ok in both cases, but the control mechanism is not so strong and well elaborated.

*Future Bonds:* This part exist i.e. due to some long term and future projects to be completed in next 5 years, but at a negligible rate

(<http://www.business247.ae/Articles/2008/5/Pages/052920080cba11-c6867144d3bfc1e81e3ccb48db.aspx>)

By arguing the above mentioned factors, it is not wrong to say that despite the existence of Cross-cultural training, the level of trust does not improve among the partners ( due to various factors apart from the cultural issue, the Government involvement in case of Egyptian Joint venture and the late liberalization of oil industry concession in 1988 etc). In 1988, EGPC signed the first Gas Clause which became the standard agreement for any future gas concessions. This and other subsequent changes in the terms of fiscal terms led to an increase in exploration and production of natural gas in the 1990s (Fattouh, 2008).

So the above findings contradicts proposition (b) that *Cross cultural training and learning enhance the level of trust among individuals, and partners companies in IJV.*

### 5.1.3.6 Openness

*Communication:* The communication among the employees and staff at all level has improved after providing the Cross-Cultural Training, as it the main source of get- ting closer in the relationship. Most of the respondents answer that after getting such training they were more able to express themselves and understand others in the relationship.

*Awareness:* It's the Cross-Cultural training which definitely enhances the awareness about

other cultures, and reduces the risk of the otherness, and concept of the guest up to certain level. It helps in understanding the main factors, behaviours & attitudes, these are lying behind the mental programming of people from each parent in Joint Venture.

The proposition related to the influence of Cross Cultural training is positively related to the openness is proved by the above mentioned findings. This resonated that this relation is present in both case study joint ventures. So i can say that openness and trust.

The previous findings prove that proposition (c) that Cross-cultural training would positively influence the openness is resonated and the existence of this relation observed in both Joint Ventures. The openness and trust are the dimensions of the learning process in any relation. The influence of Cross cultural training on trust and openness decide the level of both dimensions and relational direction between Cross- Cultural Training and learning process. Based on the previous discussion the influence of Cross-Cultural Training is positively related with the dimension of openness while it is not so good and obvious in creating and experiencing trust.

To check the conformability of the proposition (a) the initial conclusion that” Cross-cultural training *positively influence the learning process in international joint ventures is influenced in a limited way.*

### 5.1.3.7 Performance

- *Satisfaction level within Joint Venture:* Both the joint venture seems to be a successful with some difficulties. Although the Saudi Joint venture is young as compare to Egyptian, but it working well with some mega projects. While the respondent’s express both positive and negative responses about the joint venture with (EGPC) regarding the performance despite of being working for a long time.
  - *Effective evolution of relationship:* The responses were more positive in both cases.
- *Satisfaction of the top level:* It is very interesting to found that Egyptian manager’s overall satisfaction is towards the negative side, despite being working of Shell Egypt N.V with EGPC form the last 25 years with EGPC in BAPETCO. But the satisfaction level of top management is positive in SARK.

- *Productivity and performance*: The performance is good and up to satisfaction level in both ventures.
- *Future cooperation*: In South Rub Khali Company Ltd. (SRAK) learning has occurred which is the basis of good relation and cooperation, which can open doors for further and future cooperation both culturally and financially. But in SRAK the cultural cooperation is almost done which can be further extending in financial investments. But in the BAPETCO case it is opposite, they had done the financial investments but still lots of things are to be done in the context of cultural awareness( i.e. national, and organizational), which is the back bone of the financial investments.
- *The perception about profitability, customer service, market share, and new contracts*: In both joint ventures the mentioned factors were good, although SRAK is relatively young, but it is doing well despite the quitting of Total in 2008. Also the performance of BAPETCO is satisfactory. It is also a fact that the energy sector and specially the oil sector never experience loses.

According to the above discussion it is true that there is positive relationship between the cross-cultural training and the performance of the joint venture. This is proposed in proposition (d). In both cases SRAK and BAPETCO performance was good, but the responses indicates Cross-cultural training in a positive way. They expressed that Cross-cultural training before and during the negotiation and formation process make the Joint Venture stronger and at later stage positively affect the performance. In case of BAPETCO in Egypt the overall perception regarding the performance was negative, although this Joint Venture is a successful, because of the Cross-cultural training provided after the formation of Joint Venture and for professionals expatriating abroad. The said findings and discussion lead us to the point that Cross-Cultural Training is a lever for better performance, but it is not say for sure that it will taken after or before entering into Joint Venture specially in case of IJV.

## 5.2 *Other interview's result*

### 5.2.1 A brief overview of interviews

The data gathered from the interviews and questionnaire will be analyzed. The three interviews were made in (Telenor Pakistan), JPower Japan(Power Business) and Toyota (Indus Motors-Pakistan) while responses from Saint Gobian AS Norway and Deloitte Norway were collected through the questionnaire. Four companies corporate HQs are located in Norway and are part of

partnership or alliances of other companies. The interviews were made with the experienced persons, while the remaining data was gather from the questionnaire, in all cases the same questionnaire was used as was used in the case study. In addition to the said questionnaire was followed up by some general questions to look into details and to get the clear view.

The main purpose of gathering data from interviews and questionnaire responses is to getting the knowledge about the influence of Cross-cultural training on the learning process in different companies and various cultural settings and make a comparison with the results obtained from the case study. To check the consistency of these re- search findings. The involvements of people from different industries give variations in responses from different views. It was tried in this research that wider views were included to judge the influence of Cross-cultural training on trust, openness in IJV.

In the beginning a brief introduction about companies under study will be given, followed by the information regarding the joint venture of the focus companies. And extracted data to describe the main research question and propositions fallowed by discussion and conclusions. The same procedure will be employed by analyzing the results of the empirical by the independent variable CCT its consequent influence on trust and openness. And will test the prepositions to explore the relation between the independent and dependent variables and its impact on the IJV performance.

### 5.2.2 Basic Information of Companies Studied

First overviews of the studied companies will be made for the purpose of general understanding about the type of industry and their Joint Ventures. Then the data will be retrieved and analyze. Each company has some sort of alliances in different forms. To carried out the purpose of this research one experienced person or professional except Toyota Indus Motors and Telenor Pakistan were interviewed. The basic information and their cooperative activities are given in the Table 5.3.

The main focus in each interview or response is on specific joint venture, or partnership. And the main criteria were absolutely the availability of the concern person who engages to some level of joint venture, partnering and training activities. The second criteria were the main reason whatever be, for making the joint venture. The owner- ship of the joint venture also varies depends on the objectives and partners agreements. To eliminate the opportunistic behaviour in learning and transferring of knowhow, and transferring will take place at the same pace, without any dominance. In each case the type, nationality, age and objective of joint venture, partnership was different.

This diversity in age, types, objective and the joint venture will not affect the results. In all cases the joint ventures, partnerships are international with cultural difference from Central and Northern Europe, South Asia, Far East Asia , Middle East and Oceania.

### 5.2.3 Interview Data

In this part the main emphasis is on the analysis of cross-cultural training and its relationship with the learning process of the above mentioned joint ventures. Here the views of the partners in each joint venture are different from the views of the part-ners in another joint venture. The influence of cross-cultural training on the dependent variables, i.e., trust and openness in each case will make a platform for the comparison with the prepositions and an ultimate compassion with the case study results.

### 5.2.4 Cross-Cultural Training

In all companies they used the cross-cultural training in different forms at some stage of the Joint Ventures. Only one company does not include the CCT, but they consider their previous experience, with the companies they intend to form an alliance with the training as an indicator for the future success cooperation. They do not have any direct joint venture, but they have in direct joint venture in shape of various projects, which they consider it as both business and cultural understanding of differences and as key assets for their future international engagements.

In most cases except JPower the cross-cultural training were occurred in the companies' respective Head quarters and at project areas, where project is carried out and was pre-joint venture formation. The duration of training in two cases was less than a week. But in case of Toyota Indus Motors the training program was sequential, consist of several weeks., While in case of Telenor it was also an extensive training, but due to the technological advancement and relative power of the (one parent company in Joint venture i.e. Toyota Japan and Telenor Norway) such programs were mostly consist of technical and company specific cultural training as compare to Cross-cultural training. But in the later case Telenor employee some CCT training and inclusion of local practices i.e. brand names, strategies etc after the incidents of the insulting cartoons of Prophet Muhammad (PBUH) in 2006, they feel the intense needs for CCT to cope with religious and

emotional uncertainties of people in the long run. Except Telenor and Indus Motors, in most cases the CCT was general in nature. And the documentary method was applied. In about 50% cases seminar, 25% language and 25% case study approach were applied.

The overall logic behind the Cross-cultural training in each case was to get the other culture knowledge to reduce the otherness and make necessary adjustments to accept the other cultural differences. From the respondents data it is observed that about 30% importance was given to the influence of other culture on the business attitude and relation among the parents, while 70% emphasis was on the awareness and learning of the other culture.

The overall thinking about the CCT objective, whether it was accomplished was same in all cases. The main and overall objectives and benefits of the training were the awareness of the partner/ parent cultural differences. But all the respondents emphasis on the Cross-Cultural Training, and the training for the short duration was not considered as good and cannot compare to the full fledged CCT. The CCT was important to have an insight and understating of the other culture, its differences and to be able to work in a multi and diversified cultures. As noted from the responses it is CCT which create awareness and the ability to work with others in diversified cultures, and these abilities can be gain through joint working and experiencing others and their cultures. All respondents basically emphasis on learning by doing and getting experience while working in the real settings and by CCT while acknowledging and accepting the differences for better learning and understanding for a successful Joint Venture.

### 5.2.5 Trust and Openness in relationship

In 50% cases the cooperation was for the first time and in both cases i.e. Telenor Pakistan and Toyota Indus Motors Cross-Cultural training were taken before the formation of Joint venture, but the intensity in case of Telenor was low as discuss before. The con- tracts made in both cases were detailed but rather lose one, because of fewer constraints, due to the facts that host culture i.e. Toyota Indus Motors and Telenor Pakistan are relatively weak than their foreign patners. While in the other cases the joint ventures/ partnerships were also the first cooperation and the nature of the contracts were de- tailed one with heavy constraints. In all cases the contracts were detailed but the in some cases with less constraint than other, depends on the strategy and objectives of the Joint Venture. The level of control in case of Telenor is 100% with Telenor Norway. In all cases the

respondent acknowledges that Cross-cultural Training can lead and facilitate the soft issues in shape of social interactions and informal contacts among the joint venture. Every respondent agreed that CCT and its various types help in understanding the other culture. English was used as a language of communication in all joint venture for training, but at lower level i.e. technician, or sales persons e.g. in case of Pakistan (most of the training at that level was taken in Urdu). There was also affirmation that for training communication is the key, and without two way interaction the concept of good training and learning is meaningless. So a good and uniform language improves the training and in training which also improves the communication (i.e. non verbal etc). So both affect each other. All respondents mentioned that Cross-cultural Training enhance the cultural understanding. Even the respondents from the companies where Cross-Cultural training was not taken also value it in the same way as mentioned above.

By asking some general question apart from the structure questionnaires, the respondents mentioned that only CCT which focus on the partner national culture is not enough. But also the organizational, business and local market structure and culture is important. It is also observed from the responses that training at one partner side or one partner culture will not give full results. To get 100% results CCT should be provided to both partners for the induction of national, corporate and organizational cultural.

### 5.2.6 Performance

In each case every one claims their joint venture is successful one. But there were minor variations among the respondent in this issue. The main focus was on the respondent views due to their vast experience and close insight on the joint ventures, due to realistic perception about the success. By additional and general questions most respondent were different and doubtful about the performance and the success of their respective joint ventures. The personal view was that, through cooperative arrangements and integrated operation the performance of the Joint Venture can be better. The variations in perception of respondents on the issue of performance are due to various objectives, agendas, and problems and difficulties facing by those joint venture in various settings and time. All the respondents expressed that knowledge of both national, organizational, and corporate cultures are integral part of the successful Joint Ventures, while in case of limited or no knowledge and understandings about the said issues can lead to difficulties i.e. otherness and

can emerge into failure or corporate divorce.

All respondents agree on fact that as far as the transferring of knowledge and sharing of information taking place among partners, will leads to learning, which can positively influence the performance and success of joint ventures. All the respondents agree that one of the main reasons behind the successful Joint venture is the learning and sharing of information and knowledge (tacit/explicit). On the question of the future prospects and longevity of the partnership most respondents were little bit suspicious, but are optimistic they do not totally expressed in negative way, but one respondents tell about several corporate divorces even one was related to her company. Two respondents also make predictions about the future trends and changes in nature of relationships, they predicts about the acquisition. But they predicts that further cooperation will be occurs between the companies due to techno- logical advancements, resources endowments', financial constraints, information and knowledge based economies.

### 5.2.7 Discussion

After collecting the data from respondents on various aspects, the said data was care- fully analyzed from various angels to have reasonable results. In order to find out the views from different people working in various industries and to test the validity of the propositions whether they support or contradict the result of this research.

The Cross –Culture training which are used as independent variable in this research exist in all companies in different forms. As described before that this independent variable causes effect on trust and openness in IJV. Which have an ultimate effect on the various issues of performance and outcome in studied companies.

The following results obtained by describing the data as

*Partner's history:* More than half of the joint were the first cooperation among the two partners, and is considered being smooth.

*Negotiation and friendly relation:* All respondents' confirmed that negotiations and friendly relation were enhanced under researched companies after Cross-cultural training.

*Commitments and contracts:* Except Telenor Pakistan i.e. 100% of Telenor Norway Sub- sidiary

in all other cases the contracts were/are detailed one with clear cut duties, responsibilities.

*Execution and monitoring mechanisms:* As discussed before that Telenor Pakistan is 100% subsidiary of Telenor Norway and the level of control is high in that case. While in case of Toyota Indus Motors the Host (House of Habib seems relative weak then his Japanese counter parts despite of 75% equity share). While in other two cases the level of control is moderate. In case of Saint Gobian Norway Plant the control is fully with the Saint Gobian but the decisions are mainly made locally.

*Future Bonds:* The future bond exist specially in Toyota Indus Motors while in other cases the continuity of business is seeing in a optimistic way, but the relation is good among the partners. By arguing the above mentioned factors, it is easy to conclude that the existence of Cross-cultural training influence one dimension of trust in a positive way which improves the future bonds and relation among the partners. The influence of CCT on other dimensions is limited without any tangible results. Which will be right to say up to some extent that the effect of CCT does not improving the trust within Joint ventures. The result of the said effect contradicts the assumption of proposition (b) i.e. CCT enhance the level of trust among the partners of IJV.

So the findings and result does not support proposition (b) that Cross cultural training and learning enhance the level of trust among individuals, and partners companies in IJV.”

### **Openness:**

From the research data the following results obtained for openness in the relationship among the partners as:

*Communication:* The respondents of all studied companies reported that understanding and communication improve by Cross-cultural training (various types and company needs) among the staff of the partner. It is the training/cross-cultural training which enables individuals and organization to express themselves in a better & effective way. It reduces the barrier in understanding and improves the dealings both technical and non technical. Most of the training at host end and lower level was taken in their respective languages.

*Awareness:* 75% respondents confirm that various cultural training and awareness

programmes enhance the cultural understandings, behaviours and hidden attitudes in culture. In case of Toyota Indus Motors and Telenor Pakistan due to their relative power and technological advances, they tailor most of the training programmes to aware the host partner (parent) about their cultures especially corporate cultures. This was for better performance and success in the industry and markets. But in case of JPower, the Japanese seems to be dominated by their respective partners in soft issues, but the logic is reverse in technological training.

Based on the pervious findings, the proposition (c) i.e. Cross-cultural training positively influence the openness is supported by both case study and other respondents from other five companies.

The Cross-culture training influences the dependent variables and it also set the relation direction with the learning process for future relation. The previous findings show that CCT has a strong and positive relationship with the openness, but it is not a concrete in case of trust. Which are almost the same as findings found in case study. Therefore, the proposition (a) that Cross-cultural training enhance the learning process in IJV is supported by the openness up to certain limits.

Results sorted from the data regarding the Performance of IJV:

*Satisfaction level of partners (parents):* The overall level of satisfaction was positive about the JV/ partnerships performance. All the studied companies considered the relation- ship as successful and smooth.

*Evaluation of alliance relationship:* Personal opinion was little bit deviate the discussion on the effective evaluation of respondents. 75% doubted the success of present relation, despite of the overall good and smooth relationship of the partners companies.

*Top level satisfaction:* Personal opinion of some top management was doubtful, the general level of stratification is good with a doubt that it could be better than the present.

*Perception of productivity and performance:* The performances of all joint ventures were considered to be good in all five cases. The productivity and performance has been better overall, with minor problems due to various factors. The main objective of the partnership and JV i.e. learning was realized in all cases.

*Longevity of the relation:* 100% of the respondents were optimistic regarding the present and continuation of the said relation. In more than 75% cases partner signs future contracts and business, i.e. Telenor, Toyota Indus Motors, JPower etc.

The top level perception regarding profitability, market share, customer services:

The perception of market share in all five cases was very good, despite current financial crunch and recession especially in developing country like Pakistan. The level of customer services and satisfaction was very good in 50% cases while it was relative ok in other 50% case, i.e., Pakistani markets( may be due to lack of customer knowledge about the product or lack of professional attitudes etc.). The issue of profitability was quite good with variation in different quarters of year, i.e., (by checking on their limited financial available data from internet).

It is found from the above mentioned findings that Cross-Cultural training has positive influence on the performance of IJV, which is exactly proposed in proposition (d). In all cases good performances were noted, but in general perception of the respondents about more understanding of the cultural differences and otherness positively affect the performance. So it is kind of reflection that there were some deficiencies in Cross-cultural training or the right time of taking CCT i.e. before or after the partnership/Joint venture. While leading to the conclusion that CCT would improve the Joint Venture performance, which we cannot say for sure relate to the success of relationship.

It would be good to mentioned that respondents focus on the issue of CCT at right time and stage of JV, but the most important factor from all is the learning and gaining of knowledge and experience form each other in their daily or task based interactions.

All respondents agree on the issue of learning which come through CCT and technological experiences, but only CCT is not enough, it act as facilitator and a way of learning, but learning can also be improve through learning by doing and practical experience.

**TABLE 5.3:** Other Five Companies details

Company	Type of Industry	Establishment	Position of respondent	Experience	Partners	Equity Share
Toyota Indus Motors	Automobile	1990	Assistant Director HR	15 years	House of Habib, Toyota Motors and Toyota Tsusho Corporations Japan	75/25
			Director logistics and administration	19 years		
Telenor Pakistan	Tele-communication	2005	Director Corporate Communications Pakistan	13 years	Telenor Norway and Telenor Pakistan	100% subsidiary
			Head of Media and PR (Pakistan and Norway)	6 years		
Saint Gobian	Ceramic	1952	Head of technical training	30	Saint Gobian France and Norway	100% subsidiary
J-Power	Hydro Power Plants	2007	Assistant Manager Corporate Planning and Administration Dept	6 years	J-Power and Gulf JP Co., Ltd. (GJP), Hamon Research-Cottrell, Inc, Gemeng International Energy Co., Ltd, Osaki Power Station and to the world	Depends on projects
Deloitte Consulting AS	Consultancy		HR-Consultant	5 years	Alliance of dozen of firms of different countries	100% subsidiary

Source: [http://www.norway.com/directories/d\\_company.asp?id=1369](http://www.norway.com/directories/d_company.asp?id=1369)  
<http://www.jpowers.co.jp/english/index.html>  
<http://www.toyota-indus.com/> [http://www.deloitte.com/view/en\\_US/us/index.htm](http://www.deloitte.com/view/en_US/us/index.htm) <http://www.telenor.com.pk/> and  
<http://www.telenor.com/> <http://www.saint-gobain.com/en/>

# Chapter 6

## FINAL DISCUSSIONS AND CONCLUSIONS

*This final part of the research takes off by providing the findings results concerning the propositions of this raserch by comparing the results obtained from the case study with those inferred to in interviews/questionnaire. These findings answer the main research question and the propositions i.e. sub-questions. Furthermore, the limitations and difficulties of this research will be discussed. Finally, the section sheds lights on practical and theoretical reflections as well as giving on practical recommendations as well as showing avenue for further research.*

### 6.1 Propositions Tests

Four propositions were presented in Chapter 2 for this research. The said four propositions were tested in two different ways, i.e., thoroughly search and retrieving data from Shell Case Study and the results obtained from the interviews and questionnaire conducted in five other companies. Generally the propositions resulted in the following implications:

**Proposition (a):** Cross-Cultural training positively influences the learning process in international joint ventures.

The proposition aimed at finding out whether the relation between the Cross-cultural Training and the learning process exists in the International Joint Venture. Initially the proposition was coiled mentioning the positive relation between the two elements, could not measure directly, due to involvement of several factors and dimensions which affect the learning process. Specifically, the effect and influence of Cross- Cultural Training on two dimensions trust and openness, was tested in this research. Through investigating the

relationship between the two (trust and openness) dimensions, the level of relationship between the Cross-Cultural Training (CCT) and learning process is to be found. Following this contention, it proved obvious to test this proposition. In the first place proposition (b) and (c) will be tested to explore the learning process and relate it with CCT.

**Proposition (b):** Cross cultural training enhance the level of trust among individuals in an IJV.

The findings for the case study this effect of CCT was denied despite the existence of Cross-Cultural Training, the level of trust within the IJV did not improve due to various factors, that is, lack of specific training which enhances the trust, recent introduction of modern training and Cross-Cultural issues especially at Shell . After analysing data and findings, there was not a substantial positive effect that CCT improve the trust in general. Yet only one factor, befriending action among the partners, positively affected. In comparing the two findings from case study and other company responses, the proposition (b) suggesting a positive relationship between CCT and trust in IJV is not supported here. Hence this relationship is not confirmed.

**Proposition (c):** Openness in the relationship among the staff of IJV will be improving through cross cultural training.

Results obtained from both case study and interview/questionnaire data confirm the existence of a good and positive relation between the CCT and openness among the partners working in IJV. Proposition (c) is thus supported with a general conclusion that CCT enhance the openness in the relationship.

After testing the postpositions (b) and (C) it is concluding that Cross-Cultural training influences only one dimension positively. Openness in relations scored highly to support the proposition while the other dimension, trust was not proved for the same data. The obvious consequence is that proposition (a) describing the relationship between the CCT and the learning is partially proved, i.e., form openness not from trust. Following this argument, it is concluded that CCT enhance the learning process up to some extent not completely.

**Proposition (d):** Performance in international joint venture can be enhanced through Cross-Cultural training.

From the conclusion of the Case Study and Interviews/questionnaire analysis, proposition (d) is partially confirmed. This shows support that the existence of Cross-cultural training within International Joint Venture will enhance the performance. (see Table 6.1).

## 6.2 Answering the main Question

Based on the insights into facts, figures and practices carried out at Shell E&P units at Middle East and the data obtained from other companies and related discussions. It appeared clear that exploring the relationship between the Cross-Cultural Training

**TABLE 6.1:** Blue Print of the Research

Proposition	Proposed	Case Findings	Interview Finding	Conclusion
a) CCT leads to learning	+	(+/-) not clear	(+/-) not clear	not clear
b) CCT leads to Trust building in relationship	+	negative	negative	negative
c) CCT leads to openness in relationship	+	positive	positive	positive
d) CCT enhance Performance	+	positive (partially enhance)	positive	not clear

Performance overall:  $f(\text{Price, cost, tech, operation, CCT})$

Performance in cultural context:  $f(\text{trust and openness})$  in this study

and the learning process within International Joint Venture is a complex process due to sensitive nature of various issues.

In order to response to the main research question, the answers of branch and sub questions were provided to facilitate and arriving to the answer of the main question. The partners

National Cultural and useful methods through which they can be measured were defined and identified. Thereafter, by considering the partners different cultural backgrounds, it was established that this was due to National Cultural differences as a hard fact which always exists within an International Joint Ventures. The learning process were identified and represented by three dimensions i.e. learning and absorptive capacity, parent experience, partner interactions. The first two dimensions are the shadows of relation between the Joint Venture and its related parent company. It is apparent from the literature that the partner's interaction is an important role playing dimension which facilitates learning process within International Joint venture itself.

I have already shown above that the partner's interaction has two determinants, that is trust and openness. In this line of argument, the importance of Cross-Cultural training and its influence on trust and openness was identified. Its influence on learning process was explored by including the direction and level of this relation. The relationship between the CCT performances was found in a positive direction.

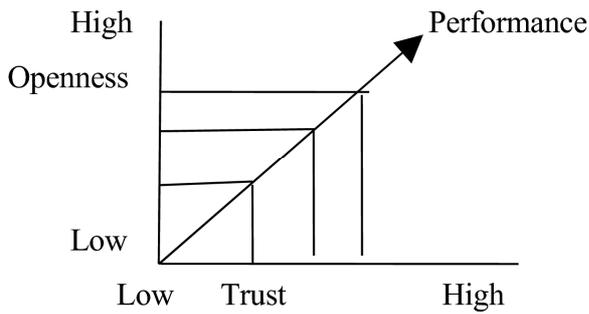
The findings of the sub questions were derived from the theoretical reviews, case study of Shell and other five companies interviews/questionnaires. It is derived from this study that Cross-cultural training has a limited effect on the IJV learning process. Again this conclusion is based on two dependent variables i.e. trust and openness in relationship. While CCT highly influence the openness in relationship among the IJV parents/ partners, trust only determinates of the learning process. Therefore, the influence on the learning process is limited, as the Cross-Cultural Training has limited

or no effect on the trust among the partners in this research. The influence of the CCT is positive on the openness, which leads to positive performance of the International Joint Venture/partnerships. On the same line CCT enhances the learning process before or during the JV.

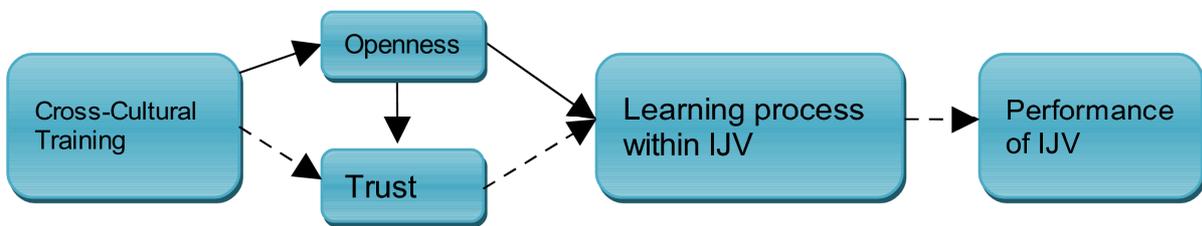
From the findings of this research and variation on the conceptual model and relations of various factors can be concluded. Since trust is process which evolves and gained over time, the interactions and cooperation among the partners over time in various forms (which are self explanatory). One of the conditions to build and enhance the trust overtime is to have an open, transparent, and a responsibility in the relationship. Given the findings of this research, CCT has positive effect on the openness which is a factor shaping the learning process and building trust. It can as well be eluded to that the results of this research in

given national cultural variations and differences CCT influences the openness positively. If the level of openness is high, more trust will be observed, which leads to better learning and consequently resulting to high performance. This can be conceptualized as in the Figures 6.1 and 6.2.

**FIGURE 6.1:** The relations between openness and trust with respect to Performance



**FIGURE 6.2:** The influence of CCT on learning and performance (research findings)



The dashed arrows show the weak or not clear relationship of trust and learning, while the dark arrows indicate the positive or bit strong relationship of trust and learning. Which ultimately affect the performance of the joint venture.

Most of the respondents from questionnaires and general questions described the fact that it is CCT which is the main source of transferring knowledge and learning process but not in all cases. As there is also some evidence that most of the tacit knowledge and learning occurs through experience and in real working environments, i.e. hard and rational aspect of the learning. The practical experience is the key to learn and to deal in various situations and environments (cultures) which can only be obtained through sending expatriates to various companies i.e. partners or other alliances.

### 6.3 *Limitations of Research*

Despite the supportive findings up to some extent of present research and new insight into the influence of Cross-Cultural Training on the learning as the background, the results may still have long way to be perfect due to some limitations.

- First, this research adopted an explorative approach, in which only the assumption regarding the research findings can be made. It was possible to make test the formulated four propositions and to formulate facts, but with very limited chance to generalize the findings. Nevertheless, interesting findings and conclusions were made, by initiating a starting point for future study and research.
- Second, the sample selection was limited. In case study the focus was just on one business unit. Exploration and Production (E&P) among the other five core businesses of shell. Conducting interviews and sending questionnaires only in one business unit E&P and specific region, i.e., Middle East could not be a true representative of the whole population. Apart from the case study, only five companies were contacted who were willing to participate in this research. That means that the results and conclusion presented at the beginning of this chapter is only be the reflections of the contacted companies, which make it difficult for generalization in other settings. To draw valid and authentic conclusions and inference to the population. The other limitation is related to the sampling method which is convenience in this research. As in the start of this research it was planned to investigate the Oil Companies or same industry, but when the research was started it was observed that most big companies having Joint Ventures do not want to take part in this research and it was very hard to get and collect the data from those companies. So this sampling method give ease in contacting companies and collecting data, but on the other hand it had negative effect in shape of reducing the representativeness of the sample due to selection bias. For example the JV that did not participate in this research will have poor performance.
- Thirdly, the general method of data collection was interview and questionnaires from the contacted companies on the general information about the soft issue of training and performances. But the data on actual performance, i.e., profitability, loss, operations, etc was gathered from financial results, annual reports. But those results give very limited figures which make problem in judging the real performance. The financial data would enable the researcher to compare the respondent's perception and the reality about the

performance, but in most cases the availability of financial data was limited.

- Fourthly, as taken the national cultural diversity and differences were taken into consideration. But the degree of differences as mentioned by Hofstede in his five dimensions was not used at all, despite using power distance, masculinity when investigating the Joint Ventures in Arab and Pakistan. The rationale behind of not using the Hofstede five dimensions is that this research is almost supposing that CCT exist in all companies regardless of the national cultural differences. But the study of the national cultural difference would polish the findings, which is absent here.
- Least but not last, the findings of this research is also varied with the findings in the differences in industry and cultures. As if the research is carried in one industry or different industries in one culture will have uniform effect on the results and may be will have less biased.

#### *6.4 Implications for research*

International marketing and business scholars and researchers aspiring to understand how and why Cross-Cultural Training influence the organizational learning and gives IJVs a competitive advantage in form of better performance. But this influence is limited to one dimension i.e. openness and do not apply to the trust. But according to the conclusion of this research that openness in the relationship can lead to trust, which consequently enhance the learning and better performance.

A good research can be conducted in future to investigate this relation. But the question remains here that is it openness in the relationship among partners which can lead to building trust? If the answer is yes, then it is CCT which enhance the openness and then the openness lead to trust and better learning. Another suggestion is to explore the influence of CCT on the learning within various types and forms of agreements and alliances by considering one type of industry or one culture or more specific taking the organizational cultural into consideration. Most scholars talk about the knowledge about the diverse culture, but it is not enough, as apart from the national culture difference, each and every industry and organization has its own culture and norms, which should also be considered in the study of CCT.

The other important issue about the importance of real and practical work experience could be an interesting issue in measuring the learning and performance than that of CCT. All the above mentioned direction could be interesting dimensions in relationship while working or working within the diversified cultures.

# Bibliography

Aaker, D., 2001. *Strategic Market Management*, 6th Edition. John Wiley & Sons, New York, 343 p.

Aaker, D., 2005. *Strategic Market Management*, 7th Edition. John Wiley & Sons, New York.

Aberle, D.F., Cohen, A.K., Davis, A.K., Levy, M.J., Jr., & Sutton, F.X., 1950. *The functional prerequisites of a society in Hofstede, G., 2001. Culture consequences, comparing values, Behavior, institutions and Organizations Across Nations*. 2nd Edition, Sage Publications Thousand Oaks, California.

Alder, N., Bartholomew, S., 1992. *Managing Globally Competent People*. *The Academy of Management Executive* 6, 52–62.

Allaire, Y., Firsirotu, M., 1984. *Organization Studies*. Walter de Gruyter GmbH & Co. KG. 5 (3), 193.

Alvesson, M., Willmott, H., 2004. *Identity regulations Organizational Control Producing the Appropriate Individual*, in *Organizational Identity*. Oxford University Press.

Anderson, E., 1990. *Two firms, one frontier: On assessing joint venture performance*. *Sloan Management Review* 31 (2), 19–30.

Argote, L., 1999. *Organizational learning: Creating, retaining, and transferring knowledge*, 3rd Edition. Springer.

Argyris, C., 1993. *Knowledge for action: a guide to overcoming barriers to organizational change*, 1st Edition. Jossey-Bass, San Francisco.

Argyris, C., Schön, D., 1978. *Organizational Learning: A Theory of Action Perspective*. Addison-Wisley, MA.

Badaracco, J., 1991. *The Knowledge Link: How Firms Compete Through Strategic Alliances*. Harvard Business School Press, Boston, 189 p.

Bhagat, R.S. and Prien, O.K., 1996. ``Cross-cultural training in organizational context. In: Zakaria, N., 2000. The effects of cross-cultural training on the acculturation process of the global workforce. *International Journal of Manpower*, Vol. 21 No. 6, 2000, pp. 492-510

Baird, I., Lyles, M., Wharton, R., 1990. Attitudinal differences between American and Chinese managers regarding joint venture management. *Management International Review* 30, 53–68.

Baker, J., 1984. Foreign language and pre-departure training in US multinational firms. *Personnel Administrator* 29, 68–72.

Barkema, H., Bell, J., Pennings, J., 1996. Foreign Entry, Cultural Barriers and Learning. *Strategic Management Journal* 17, 151–166.

## 92

Barkema, H., Shenkar, Bell, J., 1997. Working abroad, working with others: How firms learn to operate international joint ventures. *Academy of Management Journal* 40 (2), 426–442.

Barnard, C.I., 1938. The functions of the Executive. In: Allaire, Y. & Firsirotu, M., 1984. *Organization Studies (Walter de Gruyter GmbH & Co. KG.)*, 5(3), 193

Beamish, P., Killing, J., 1997. *Cooperative Strategies*. The New Lexington Press, San Francisco.

Berrel, M., Gloet, M., Wright, P., 2002. Organizational Learning in International Joint Ventures, Implication for Management Development. *The Journal of Management Development* 21 (2), 83–100.

Berger, P.L. and Luckmann, T., 1967. The Social Construction of Reality'. In: Sirmon, D. & Lane, P., 2004. A model of cultural differences and international alliance performance. *Journal of international Business Studies* (2004) 35, 306-319.)

Bidault, F., Cummings, T., 1994. Innovating through alliances: Expectations and limitations. *R & D Management* 24 (2), 33–45.

- Bird, A., Osland, J., 2004. Global competencies: An introduction. In: Lane, H., Maznevski, M., Mendenhall, M., McNett, J. (Eds.), *The Blackwell handbook of global management: A guide to managing complexity*. Blackwell Publishing Ltd, pp. 57–80.
- Black, J., Mendenhall, M., 1990. Cross cultural training effectiveness: A review and a theoretical framework for future research. *Academy of Management Review* 15 (1), 113–136.
- Bochner, S., 1992. The social psychology of cross-cultural relations. In: Bochner, S. (Ed.), *Cultures in Contact: Studies in Cross-cultural Interaction*. Pergamon, New York, pp. 5–44.
- Boersma, M., 1999. *Developing Trust in International Joint Ventures*. Labyrinth Publication, The Netherlands.
- Boersma, M., Buckley, P., Ghauri, P., 2003. Trust in international joint venture relationships. *Journal of Business Research* 56, 1033.
- Brislin, R.W., 1981. Cross-Cultural Encounters: Face-to-Face Interaction. In: Zakaria, N., 2000. The effects of cross-cultural training on the acculturation process of the global workforce. *International Journal of Manpower*, Vol. 21 No. 6, 2000, pp. 492-510
- Brislin, R. & Yoshida, T., (Eds.) *Intercultural communication training*. In: Sandra Mumford Fowler, 2006. *Training across cultures: What intercultural trainers bring to diversity training?* *International journal of intercultural relations* 30(2006) 401-411
- Brewster, C., 1995. Effective expatriate training. In: Selmer, J. (Ed.), *Expatriate management: New ideas for international business*. Westport, CT, Quorum, pp. 57–71.
- Brown, A., 1995. *Organizational culture*. Pitman, London.
- Bromiley, P. & Cummings, L.L., 1993. 'Organizations with trust: theory and measurement. In: Madhok, A., 2006. Revisiting multinational firms' tolerance for joint ventures: a trust-based approach *Journal of International Business Studies* (2006) 37, 30–43
- Caligiuri, P., Phillips, J., Lazarova, M., Tarique, I., B'urugi, P., 2001. The theory of met expectations applied to expatriate adjustment: The role of cross-cultural training. *International Journal of Human Resource Management* 12, 357–372.

Cartwright, S. & C. L. Cooper, 1993, "The role of cultural compatibility in successful organization. In: Badrtalei, J., & Bates, D.L., 1995, Effect of Organizational Cultures on Mergers and Acquisitions: The Case of DaimlerChrysler, International Journal of Management Vol. 24 No. 2 June 2007 303

Chakrabarti, R., Jayaraman, N., Gupta-Mukherjee, S., 2009. Mars-venus marriages: Culture and cross-border M&A. *Journal of International Business Studies* 40, 216–236.

Child, J., Faulkner, D., 1998. *Strategies of cooperation: Managing networks and joint ventures*. Oxford University Press.

Child, J., Faulkner, D., Tallman, S., 2005. *Cooperative Strategy: Managing Alliances, Networks, and Joint Ventures*, 2nd Edition. Oxford University Press, 457 p.

Child, J., Kieser, A., 1981. Development of organizations over time. In: Nystrom, P., Starbuck, W. (Eds.), *Handbook of Organizational Design*, Oxford Edition. Oxford University Press, pp. 28–64.

Chowdhury, J., 1992. Performance of international joint ventures and wholly owned foreign subsidiaries: A comparative perspective. *Management International Review* 32, 115–133.

Christine, M., Beckman, C.M. & Haunschild, P.R., 2002. Network Learning: The Effects of Partners' Heterogeneity of Experience on Corporate Acquisitions. *Administrative Science Quarterly* 92/*Administrative Science Quarterly*, 47 (2002): 92-124

Cohen, W., Levinthal, D., 1990. Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly* 35 (1), 128–152.

Contractor, F. J., Lorange, P., 1988. Why should firms cooperate: the strategy and economics basis for cooperative ventures. In: Contractor, F., Lorange, P. (Eds.), *Cooperative Strategies in International Business*. Lexington Books, Lexington, MA, pp. 3–30.

Contractor, F. and Lorange, P. (Eds), *Cooperative Strategies in International Business*. In: Inkpen, A.C, 2000. Learning through Joint Ventures: A Framework of Knowledge Acquisition. *Journal of Management Studies* 37(7)

Cook, S., Brown, J., 1999. Bridging epistemologies: The generative dance between organizational knowledge and organizational knowing. *Organization Science* 10, 381–400.

Cook, S., Yanow, D., 1993. Cultural and Organizational Learning. *Journal of Management Inquiry* 2, 373–390.

Cooper, D. R., Schindler, P. S., 2008. *Business Research Methods*, 10th Edition. McGraw-Hill, 746 p.

Crossan, M., Lane, H., White, R., 1999. An organizational learning framework: from intuition to institution. *Academy of Management Review* 24 (3), 522–537.

Daft, R., Weick, K., 1984. Toward a model of organizations as interpretation systems. *Academy of Management Review* 9, 284–295.

Davenport, T., Prusak, L., 1998. *Working Knowledge: How Organizations Manage What They Know*. Harvard Business School Press, Boston, MA.

De Burijn, E.J. & Jia, X., 1993. 'Transferring technology to China by means of Joint Ventures.' In: Park, B.I., Giroud, A., Mirza, H. & Whitelock, J. 2008. *Knowledge Acquisition and Performance: The Role of Foreign Parent in Korean IJVs*, *Asian Business & Management*, 2008, 7, (11-32)

Deshpande, S., Viswesvaran, C., 1992. Is cross cultural training of expatriate managers effective: A meta analysis. *International Journal of Intercultural Relations* 16 (3), 295–310.

Dhanaraj, C., Lyles, M., Steensma, H., Tihanyi, L., 2004. Managing tacit and explicit knowledge transfer in IJVs: The role of relational embeddedness and the impact on performance. *Journal of International Business Studies* 35, 428–442.

DiMaggio, P., Powell, W., 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* 48 (2), 147–160.

Dodgson, M., 1993. Organizational learning: A review of some literatures. *Organization Studies* 14 (3), 375–394.

Doz, Y. L., Hamel, G., 1998. *Alliances Advantage*. Harvard Business School Press, Boston, MA.

Drucker, P.E.,1995. 'The network society'. In: Inkpen A.C, 2000. *Learning through Joint Ventures: A Framework of Knowledge Acquisition*. *Journal of Management Studies* 37(7)

Early, P., 2002. Redefining interactions across culture and organizations: Moving forward with cultural intelligence. *Research on Organizational Behaviours* 24, 271–299.

Eldridge,J.E.T.& Crombie.A.D., 1974. A sociology of organizations. In: Allaire, Y. & Firsirotu, M., 1984, July. *Organization Studies* (Walter de Gruyter GmbH & Co. KG.), 5(3), 193

Eng, T., 2008. The effects of learning on relationship value in a business network context. *Journal of Business-to-Business Marketing* 12 (4), URL:  
<http://www.haworthpress.com/web/JBBM>.

Eschbach, D., Parker, G., Philipp, A., 2001. Stoeberl American repatriate employees' retrospective assessments of the effects of cross-cultural training on their adaptation to international assignments. *International Journal of Resource Management* 12 (2),270–287.

Falkenberg, A., 2004. Moral maturity and ethics for international economic organizations. *Journal of Business Ethics* 54 (1), 17–32.

Falkenberg, A., 2008. *Culture and Ethics in Multinational Organizations*, reading for Course ORG-408, Spring, 2008.

Falkenberg, A., 2009. Integrity and Integration: an Oxymoron? Cultural and Ethical Issues. The 16th Annual International Conference of Promoting Business Ethics, Oct 28-30, 2009, Niagara University, New York.

Fattouh, B., 2008. North African Oil and Foreign Investment in Changing Market Conditions. *Wpm* 37, Oxford Institute for Energy Studies,URL:  
<http://www.oxfordenergy.org/pdfs/WPM37.pdf>.

Faulkner, D., 1995. *International Strategic Alliances: Cooperating to Compete*.McGraw-Hills, Maidenhead.

- Fedor, K., Werther, W., 1996. The fourth dimension: Creating cultural responsive international alliances. *Organizational Dynamics*, 39–52.
- Fiol, C., Lyles, M., 1985. Organizational learning. *The Academy of Management Review* 10 (4), 803–813.
- Fowler, S., 2006. Training across cultures: What intercultural trainers bring to diversity training. *International Journal of Intercultural Relations* 30, 401–411.
- F, R.S. & Prien, O.K., 1976. "Cross-cultural training in organizational contexts". In: Mendenhall, M. & Oddou, G., 1985. "The dimensions of expatriate acculturation: a review", *Academy of Management Review*, Vol. 10, pp. 39-47.
- Garvin, D., 1993. Building a learning organization. In: Kandemir, D. & Hult, G.T., 2005. A Conceptualization of an Organizational Learning Culture in international joint ventures, *Industrial Marketing Management* 34 (2005) 430–439
- Gertsen, M., 1990. Intercultural competence and expatriates. *International Journal of Human Resource Management* 1 (3), 341–362.
- Geringer, J.M. & Hebert, L., 1989. Control and Performance of International Joint Ventures?. In Glaister, K.W. & Buckley, P.J., 1996. Strategic Motives for International Alliances Formation. *Journal of Management Studies* 33:3 May 1996 pp. 301-332
- Glaister, K., Buckley, P., 1994. UK international joint ventures: An analysis of patterns of activity and distribution. *British Journal of Management* 5, 33–52.
- Glaister, K., Buckley, P., 1996. Strategic motives for international alliances formation. *Journal of Management Studies* 33 (3), 301–332.
- Grant, R., 1996. Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. *Organization Science* 7, 375–388.
- Gupta, A., 1987. SBU strategies, corporate relations and effectiveness in strategy implementation. *Academy of Management Journal* 30, 477–500.
- Hagedoorn, J., 1990. Organizational modes of inter-firm cooperation and technology transfer. *Technovation* 10 (1), 17–30.

- Hagedoorn, J., 1993. Understanding the rationale of strategic technology partnering: Inter-organizational modes of cooperation and sectoral differences. *Strategic Management Journal* 14, 371–385.
- Hair Jr., J. F., Black, W. C., Babin, B. J., Anderson, R. E., Tatham, R. R., 2006. *Multivariate data analysis*, 6th Edition. Pearson Prentice Hall, Upper Saddle River, New Jersey, 899 pp.
- Hawley, A., 1968. "Human ecology. In: Di Maggio, P. J. & Powell, W. W., 1983, *The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields*. *American Sociological Review*, Vol. 48, No. 2 (Apr., 1983), pp. 147-160
- Hamel, G., 1991. Competition for competence and inter-partner learning within international strategic alliances. *Strategic Management Journal* 12, 83–103, special Issue.
- Hammer, M., Bennett, M., Wiseman, R., 2003. Measuring intercultural sensitivity: The intercultural development inventory. *International Journal of Intercultural Relations* 27, 421–443.
- Harrigan, K. R., 1986. *Managing for JV Success*. In: Inkpen, A. C., 2000. *Learning through Joint Ventures: A Framework of Knowledge Acquisition*. *Journal of Management Studies* 37(7) November, 2000
- Harrigan, K., 1988. Strategic alliances and partner asymmetries. In: Narula, R. & Hagedoorn, J., 1999. *Innovating through strategic alliances: moving towards international partnerships and contractual agreements*. *Journal of Technovation* 19 (1999) 283–294
- Hedberg, B., 1981. How organizations learn and unlearn? In: Fiol, C. M. & Lyles, M. A., 1985. *Organizational Learning*. *The Academy of Management Review*, Vol. 10, No. 4 (Oct., 1985), pp. 803-813
- Hennart, J., 1988. A transactions costs theory of equity JVs. *Strategic Management Journal* 9, 361–374.
- Hennart, J., Zeng, M., 2002. Cross-cultural differences and joint venture longevity. *Journal of International Business Studies* 33 (4), 699–716.
- Hitt, M., Ireland, R., Hoskisson, R., 2001. *Strategic Management, Concept and Cases, Competitive and Globalization*, 8th Edition. Westren College Publishing.

Hofstede, G., 2001. *Culture's consequences: Comparing values, behaviours, institutions, and organizations across nationals*, 2nd Edition. Sage-Publication, California, 596 p.

Hofstede, G., 1980. *Culture's consequences: International Differences in Work-related Values*, Beverly Hills, California: Sage. URL: [http://books.google.com/books?id=Cayp\\_Um4O9gC&printsec=frontcover&dq=Culture%E2%80%99s+consequences:+International+Differences+in+Work-related+Values,&cd=1#v=onepage&q=&f=false](http://books.google.com/books?id=Cayp_Um4O9gC&printsec=frontcover&dq=Culture%E2%80%99s+consequences:+International+Differences+in+Work-related+Values,&cd=1#v=onepage&q=&f=false)

Hogan, G., Goodson, J., 1990. The key to expatriate success. *Training and Development* 44 (1), 50–52.

Horwitz, F., Anderssen, K., Bezuidenhout, A., Cohen, S., Kirsten, F., Mosoeunyane, K., Smith, N., Thole, K., van Heerden, A., 2002. Due diligence neglected: Managing human resources and organizational culture in mergers and acquisitions. *South African Journal of Business* 33.

Huber, G., 1991. Organizational learning: An examination of the contributing processes and the literatures. *Organization Science* 2, 88–115.

Hurn, B., 2007. The influence of culture on international business negotiations. *Journal of Industrial and Commercial Training* 39 (7), 354–360.

Imai, M., 1986. *Kaizen: The key to Japan's Competitive Success*. McGraw-Hill, New York.

Imai, K., Nonaka, I. & Takeuchi, H., 1985. "Managing the New Product Development Process: How Japanese Companies Learn and Unlearn." In: Grant, R.M. 1996. *Prospering in Dynamically-Competitive Environments: Organizational Capability as Knowledge Integration*, *Prospering in Dynamically-Competitive Environments: Organizational Capability as Knowledge Integration* 83-104

Inkpen, A.C. & Beamish P.W. 1997. Knowledge, bargaining power and international joint venture instability'. In: *La., P.J., Salk, J.E. & Lyles, M.A., 2001. Absorptive Capacity, Learning and Performance in International Joint Ventures. Strategic Management Journal* 22: 1139–1161

Inkpen, A., 1995. *Management of International Joint Ventures*. Routledge, London.

Inkpen, A., 2000. Learning through joint ventures: A framework of knowledge acquisition. *Journal of Management Studies* 37 (7).

Inkpen, A., Birkenshaw, J., 1994. International joint ventures and performance: An inter organizational perspective. *International Business Review* 3 (3), 201–217.

Inkpen, A., Croosan, M., 1995. Believing is seeing: Joint ventures and organization learning. *Journal of Management Studies* 32 (5).

Inkpen, A., Dinur, A., 1998. Knowledge management process and international joint ventures. *Organization Science* 9 (4).

Inkpen, A.C., 2003. Strategic Alliances. In *The Oxford Handbook of International Business*, edited by Rugman.A.M & Brewer.T.L, 2003, Oxford University Press, pages 877.

Johanson, J. & Vahlne, J.E.,1977. The internationalization process of the firm'. In:

Kought,B. Singh,H., 1988. The Effect of National Culture on the Choice of Entry Mode, *Journal of International Business Studies*, Vol. 19, No. 3 (Autumn, 1988), pp. 411-432

Kale, P., Singh, H., Perlmutter, H., 2000. Learning and protection of proprietary assets in strategic alliances: Building relational capital. *Strategic Management Journal* 21,217–237.

Kandemir, D., Hult, G., 2005. A conceptualization of an organizational learning culture in international joint ventures. *Industrial Marketing Management* 34, 430–439.

Kanter, R.M., 1989. *When Giants Learn to Dance*. In: Inkpen,A.C.& Birkenshaw,J., 1994, *International Joint Ventures and Performance: an Inter organizational Perspective* *International Business Review* Vol. 3, No. 3, pp. 201-217, 1994

Khanna, T., Gultari, R., Nohria, N., 1998. The dynamics of learning alliances: Competition, cooperation, and relative scope. *Strategic Management Journal* 19, 193–210.

Kealey, D. & Protheroe, D., 1996. 'The effectiveness of cross-cultural training for expatriates: In: Tarique,I. & Caligiuri,P., 2009.The role of cross-cultural absorptive capacity in the effectiveness of in-country cross-cultural training. *International Journal of Training and Development* Vol. 13 Issue. 3

Killing, J.P., 1988. Understanding Alliances: The Role of Task & Organizational Complexity, In: Glaister, K.W. & Buckley, P.J., 1994. UK International Joint Ventures: An Analysis of Patterns of Activity and Distribution. *British Journal of Management*, Vol. 5, 33-52

Klein, D.A., 1998., *The strategic management of intellectual capital: Resources for the knowledge based economy*, Publisher Butterworth-Heinemann. URL: <http://books.google.com/books?id=tOjleHACgiMC&printsec=frontcover#v=onepage&q=&f=false>

Kought, B., 1988. Joint ventures: Theoretical and empirical perspectives. *Strategic Management Journal* 9 (4), 319–332.

Kought, B., Singh, H., 1988. The effect of national culture on the choice of entry mode. *Journal of International Business Studies* 19 (3), 411–432.

Kraatz, M., 1998. Learning by association? Inter-organizational networks and adaptation to environmental change. *Academy of Management Journal* 41, 621–643.

Kumar, R., 2005. *Research Methodology: A Step-by-step Guide for Beginners*, 2nd edn. Sage, California, 332 p.

Kumar, R., Nti, K., 1998. Organization Science, Differential Learning and Interaction in Alliance Dynamics: A Process and Outcome Discrepancy. *Managing Partnerships and Strategic Alliances Model* 9 (3), 356–367, URL: <http://www.jstor.org/stable/2640228>.

Lan, P., Salk, J., Lyles, M., 2001. Absorptive capacity, learning, and performance in international joint ventures. *Strategic Management Journal* 22, 1139–1161.

Landis, D., Bennett, J. & Bennett, M., 2004. *Handbook of Intercultural Training*. 3<sup>rd</sup> edition, Sage Publications, Inc. USA. URL: <http://books.google.com/books?id=wjy02V19UwMC&printsec=frontcover&dq=hand+book+of+intercultural+training+,+2004,+Landi&cd=1#v=onepage&q=&f=false>

Lane, H., Beamish, P., 1990. Cross-cultural cooperative behaviour in joint ventures in LDC's. *Management International Review* 30, 87–102.

Lane, P., Lubatkin, M., 1998. Relative absorptive capacity and inter-organizational learning. *Strategic Management Journal* 19, 461–477.

- Larsson, R., Bengtsson, L., Henriksson, K., Sparks, J., 1998. The inter-organizational learning dilemma: Collective knowledge development in strategic alliances. *Organization Science* 9 (3).
- Lasserre, P., 2003. *Global Strategic Management*, 1st Edition. Palgrave Macmillan, Hampshire, 452 p.
- Lawrence, P. R., & Dyer, D., 1983. Renewing American industry'. In: Fiol, C.M. & Lyles, M.A., *Organizational Learning* The Academy of Management Review, Vol. 10, No. 4 (Oct., 1985), pp. 803-813
- Lechner, C., 2001. The competitiveness of firm networks. Tech. rep., Peter Lang, Frankfurt/Main.
- Lee, C., 1983. Cross-cultural training: don't leave home without it. *Training* 20 (5), 20–25.
- Lei, D., Slocum, J.W., Pitts, J.R.A, 1997, Building Cooperative Advantage: Managing Strategic Alliances to Promote Organizational learning, *Journal of World Business*, 32(3), 1997
- Li, J., Guisinger, S., 1991. Comparative business failures of foreign-controlled firms in the United States. *Journal of International Business Studies* 22, 209–224.
- Li, S., Scullion, H., 2006. Bridging the distance: Managing cross-border knowledge holders. *Asia Pacific Journal of Management* 23, 71–92.
- Littrell, L., Salas, E., 2005. A review of cross-cultural training: Best practices, guidelines, and research needs. *Human Resource Development Review* 4 (3), 305–334.
- Littrell, L., Salas, E., Hess, K., Paley, M., Riedel, S., 2006. Expatriate preparation: A critical analysis of 25 years of cross-cultural training research. *Human Resource Development Review* 5, 355–388.
- Lorange, P., Roos, J., 1991. Why some strategic alliances succeed and others fail. *Journal of Business Strategy* 12 (1), 25–30.
- Lubatkin, M., Florin, J., Lane, P., 2001. Learning together and apart: a model of reciprocal inter-firm learning. *Human Relations* 54 (10), 1353–1378.

- Lyles, M., 1988. Learning among joint venture sophisticated firms. *Management International Review* 28, 85–98.
- Lyles, M., Salk, J., 1996. Knowledge acquisition from foreign parents in international joint ventures: An empirical examination in the Hungarian context. *Journal of International Business Studies* 27 (5), 877–903.
- Madhok, A., 2006. Revisiting multinational firms' tolerance for joint ventures: A trust based approach. *Journal of International Business Studies* 37, 30–43.
- Makhija, M., Ganesh, U., 1997. The relationship between control and partner learning in learning-related joint ventures. *Organization Science* 8 (5).
- Malhorta, N., Birks, D., 2003. *Marketing Research: An Applied Approach*, 2nd Edition. Pearson education.
- Martin, J., 1982. Stories and scripts in organizational settings'. In: Fiol, C.M. & Lyles, M.A., *Organizational Learning* The Academy of Management Review, Vol. 10, No. 4 (Oct., 1985), pp. 803-813
- Marsden, P., 1990. Network data and measurement. *Annual Review of Sociology* 16, 435–463.
- McEvily, B., Perrone, V., Zaheer, A., 2003. Introduction to the special issue on trust in an organizational context. *Organization Science* 14 (1), 1–4.
- McKelvey, B., 1983. *Organizational Systematic: Taxonomy, Evolution, Classification*, Berkeley, Calif. University of California.
- Mead, R., 2005. *International Management: Cross Cultural Dimensions*, 3rd Edition. Oxford Blackwell Publishers, 456 p. URL:  
[http://books.google.com/books?id=SpZ5CMaI\\_rYC&printsec=frontcover#v=onepage&q=&f=false](http://books.google.com/books?id=SpZ5CMaI_rYC&printsec=frontcover#v=onepage&q=&f=false)
- Mendenhall, M., Oddou, G., 1985. The dimensions of expatriate acculturation: A review. *Academy of Management Review* 10, 39–47.
- Moorman, C., Deshpande, R., Zaltman, G., 1993. Factors affecting trust in market research relationships. *Journal of Marketing* 57, 81–101.

Moorman, C., Zaltman, G., Deshpande, R., 1992. Relationships between providers and users of marketing research: The dynamics of trust within and between organizations. *Journal of Marketing Research* 29, 314–329.

Morgan, R., Hunt, S., 1994. The commitment–trust theory of relationship marketing. *Journal of Marketing* 58, 20–38.

Morosini, P., 1998. *Managing Cultural Differences: Effective Strategy and Execution Across Cultures in Global Corporate Alliances*, 1st Edition. Pergamon, London.

Morris, M., Robie, C., 2001. A meta-analysis of the effects of cross-cultural training on expatriate performance and adjustment. *International Journal of Training and Development* 5, 112–126.

Mowery, D., Oxley, J., Silverman, B., 1998. Technological overlap and inter-firm cooperation: Implications for the resource-based view of the firm. *Research Policy* 27 (5), 507–523.

Nardon, L., 2007. Learning cultures on the fly-towards a global mindset. Working Paper 2007/01, 1-36, Vlerick Leuven Gent.

Narula, R., Hagedoorn, J., 1999. Innovating through strategic alliances: Moving towards international partnerships and contractual agreements. *Journal of Technovation* 19, 283–294.

Nelson, R., Winter, S., 1982. *An Evolutionary Theory of Economic Change*. Harvard University Press, Cambridge, MA.

Ng, P.-K., Lau, C.-M., Nyaw, M.-K., 2007. The effect of trust on international joint venture performance in China. *Journal of International Management* 13, 430–448.

Nonaka, I., 1994. A dynamic theory of organizational knowledge. *Organization Science* 5, 14–37.

Nonaka, I., Johansson, J., 1985. Organizational Learning in Japanese Companies. In: Lamb, R., Shrivastava, P. (Eds.), *Advances in Strategic Management*. Vol. 3. JAI Press, Greenwich, CT, pp. 277–296.

Nonaka, I., Takeuchi, H., 1995. The Knowledge creating Company: How Japanese Companies Create the Dynamics of Innovation. In: Smith, M., Lyles, M. (Eds.), Handbook of Organizational Learning and Knowledge Management. Blackwell Publishing Ltd.

Nonaka, I., Toyama, R., 2003. The knowledge-creating theory revisited: Knowledge creation as a synthesizing process. *Knowledge Management Research and Practice* 1, 2–10.

Nummela, N., 2003. Looking through a prism: Multiple perspectives to commitment to international R&D collaboration. *Journal of High Technology Management Research* 14 (1), 135–148.

Osborn, R., Baughn, C., 1990. Forms of inter-organisational governance for multinational alliances. *Academy of Management Journal* 33, 503–519.

Ostroff, C., Kozlowski, S., 1992. Organizational socialization as a learning process: The role of information acquisition. *Personnel Psychology* 45, 849–874.

Parsons, T., 1960. Structure and process in modern societies. In: Allaire, Y. & Firsirotu, M. 1984. *Organization Studies* (Walter de Gruyter GmbH & Co. KG.), 5(3), 193

*Pawłowsky, P., 2001, The Treatment of Organizational Learning in Management Science, In Dierkes, M., Antal, A.B., Child, J., & Nonaka, I., Handbook of Organizational Learning & Management, Oxford University Press, New York*

Park, S., Ungson, G., 1997. The effect of national culture, organizational complementarity, and economic. *Academy of Management Journal* 40 (2).

Parkhe, A., 1991. Interfirm diversity, organizational learning, and longevity in global strategic alliances. *Journal of International Business Studies* 22, 579–602.

Parkhe, A., 1998. Current issues in international alliances. *Business Horizons*.

Pearce, J.L., Branyiczki, I., 1997. Legitimacy: an analysis of three Hungarian–Western European collaborations. In: La, P.J., Salk, J.E. & Lyles, M.A., 2001. Absorptive Capacity, Learning and Performance in International Joint Ventures. *Strategic Management Journal* 22: 1139–1161

Peng, M., 2009. *Global Strategy*, 2nd Edition. SouthWestern Cengage Learning, Mason, USA.

- Phan, P., Peridis, T., 2000. Knowledge creation in strategic alliances: Another look at organizational learning. *Asia Pacific Journal of Management* 17, 201–222.
- Pothukuchi, V., Damanpour, F., Choi, J., Chen, C., Park, S., 2002. National and organizational culture differences and international joint venture performance. *Journal of International Business Studies* 33, 243–265.
- Polanyi, M., 1967. *The Tacit Dimension*, Doubleday. In: Kought, B., 1988. 'Joint ventures: theoretical and empirical perspectives'. *Strategic Management Journal*, vol. 9, No. 4 (Jul. - Aug., 1988), pp. 319-332
- Powell, W. W., 1987. 'Hybrid organizational forms'. In: Inkpen, A.C., 2000. Learning through Joint Ventures: A Framework of Knowledge Acquisition. *Journal of Management Studies* 37(7)
- Prahalad, C., Hamel, G., 1990. The core competencies of the corporation. *Harvard Business Review* 68, 79–91.
- Pucik, V., 1991. Technology transfer in strategic alliances: Competitive collaboration and organizational learning. In: Agmon, T., von Glinow, M. (Eds.), *Technology Transfer in International Business*. Oxford University Press, New York, pp. 121–142.
- Perlmutter, H. V., 1969. The tortuous evolution of the multinational corporation. *Columbia Journal of World Business*. Jan-Feb: 9-18
- Rhenman, E., 1973. Organization theory for long-range planning. In: Allaire, Y. & Firsirotu, M., 1984, July. *Organization Studies (Walter de Gruyter GmbH & Co. KG.)*, 5(3), 193.
- Rhinesmith, S., 1992. Global mindsets for global managers. *Training and Development* 46 (10), 35–43.
- Robey, D., Boudreau, M., Rose, G., 2000. Information technology and organizational learning: A review and assessment of research. *Accounting Management and Information Technology Review* 10, 125–155.
- Romar, E., 2004. Globalization, ethics, and opportunism: A Confucian view of business relationships. *Ethics Quarterly* 14 (4).

Rousseau, D., Sitkin, S., Burt, R., Camerer, C., 1998. Not so different after all: A cross discipline view of trust. *Academy of Management Review* 23 (3), 393–404.

Sanchez, R., 2000. "Tacit Knowledge" versus "Explicit Knowledge" Approaches to Knowledge Management Practice.

[URL:http://www.knowledgeboard.com/download/3512/Tacit-vs-Explicit.pdf](http://www.knowledgeboard.com/download/3512/Tacit-vs-Explicit.pdf).

Schein, E., 1993. On dialog, culture, and organizational learning. *Organizational Dynamics* 22 (2), 40–51.

Schein, E., 1997. *Three Cultures of Management: The Key to Organizational Learning in the 21st Century*. The Society of Organizational Learning, MIT Sloan School of Management.

Schein, E., 2004. *Organizational Culture and Leadership*, 3rd Edition. John Wiley & Sons, San Francisco, 429 p.

Schneider, S., De Meyer, A., 1991. Interpreting and responding to strategic issues: The impact of national culture. *Strategic Management Journal* 12, 307–320.

Schrader, S., 1991. Informal technology transfer between firms: Cooperation through information trading. *Research Policy* 20, 153–170.

Schwartz, S., 1999. A theory of cultural values and some implications for work. *Applied Psychology: An International Review* 48 (1), 23–47.

Selznick, P., 1957. *Leadership in Administration*. In: DiMaggio, P.J. & Powell, W.W., 1983. *The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields*. *American Sociological Review*, Vol. 48, No. 2 (Apr., 1983), pp. 147-160

Senge, P., 1990. *The Fifth Discipline: The art and Practice of Learning Organization*. In: *Hand Book of Organizational Learning & Knowledge Management*, Edited by Smith, M.E & Lyles, M.A., 2003, Blackwell Publishing

Shenkar, O., Zeira, Y., 1992. Role conflict and role ambiguity of chief executive officers in international joint ventures. *Journal of International Business Studies* 23, 55–75.

Silverman, D., 1970. The theory of organizations. In: Allaire, Y. & Firsirotu, M., 1984, July. *Organization Studies* (Walter de Gruyter GmbH & Co. KG.), 5(3), 193

Sirmon, D., Lane, P., 2004. A model of cultural differences and international alliance performance. *Journal of International Business Studies* 35, 306–319.

Simon, H. A., 1969. Sciences of the artificial. In: Fiol, C.M. & Lyles, M.A., *Organizational Learning* The Academy of Management Review, Vol. 10, No. 4 (Oct., 1985), pp. 803-813

Slater, S., Narver, J., 1995. Market orientation and the learning organization. *Journal of Marketing* 59, 63–74.

Smith, M., Lyles, M., 2003. *Hand Book of Organizational Learning and Knowledge Management*. Blackwell Publishing.

Soosay, C., Hyland, P., 2008. Managing knowledge transfer as a strategic approach to competitive advantage. *International Journal of Technology Management* 42 (1/2).

Spender, J., 1996. Organizational knowledge, learning, and memory: Three concepts in search of a theory. *Journal of Organizational Change* 9, 63–78.

Szulanski, G., 1996. Exploring internal stickiness: Impediments to the transfer of best practice within the firm. *Strategic Management Journal* 17, 27–43.

Teece, D., 1977. Technology transfer by multinational firms. In: Kought, B., 1988. Joint ventures: theoretical and empirical perspectives'. *Strategic Management Journal*, vol. 9, No. 4 (Jul. - Aug., 1988), pp. 319-332

Thorelli, H.B. 1986. 'Between markets and hierarchies'. In: Madhok, A., 2006. Revisiting multinational firms' tolerance for joint ventures: a trust-based approach *Journal of International Business Studies* (2006) 37, 30–43.

Tidd, J., Izumimoto, Y., 2002. Knowledge exchange and learning through international joint ventures: An Anglo-Japanese experience. *Technovation* 22, 137–145.

Tiemessen, I., Lane, H., Crossan, M., Inkpen, A., 1997. Knowledge Management in International Joint Ventures. In: Beamish, P., Killing, J. (Eds.), *Cooperative Strategies North American Perspectives*. The New Lexington Press, San Francisco.

Tsai, W., 2001. Knowledge transfer in intra-organizational networks: Effects of network position and absorptive capacity on business unit innovation and performance. *Academy of Management Journal* 44, 996–1004.

Tushman, M., Scanlon, T., 1981. Boundary-scanning individuals: Their role in information transfer and their antecedents. *Academy of Management Journal* 24, 289–305.

Tung, R.L., 1981. 'Selection and training of personnel for overseas assignments'. In: Zakaria, N., 2000. The effects of cross-cultural training on the acculturation process of the global workforce. *International Journal of Manpower*, Vol. 21 No. 6, 2000, pp. 492-510

van der Spek, R., Spijkervet, 1997. Knowledge management: Dealing intelligently with knowledge. In: Liebowitz, J., Wilcox, L. (Eds.), *Knowledge Management and Its Integrative Elements*. CRC Press LLC, Boca Raton.

van Maanen, J., Schein, E., 1979. Toward a theory of organizational socialization. In: Staw, B. (Ed.), *Research in organizational behaviour*, 1st Edition. JAI Press, Greenwich, CT, pp. 209–226.

Vera, D., Crossan, M., 2003. *Organizational Learning and Knowledge Management: Toward an Integrative Framework*. In: Smith, M., Lyles, M. (Eds.), *Hand Book of Organizational Learning and Knowledge Management*. Blackwell Publishing.

Vickers, J., 1985. 'Pre-emptive patenting, joint ventures, and the persistence of oligopoly', *International Journal of Industrial Organization*, 3, 1985, pp. 261-273.

von Hippel, E., 1988. *The Sources of Innovation*. Oxford University Press, New York.

Walsh, J., Rivera, G., 1991. Organizational memory. *Academy of Management Review* 16, 57–91

Weick, K. E., 1979. Social psychology of organizing. In: Fiol, C.M. & Lyles, M.A., 1985. *Organizational Learning*. *The Academy of Management Review*, Vol. 10, No. 4 (Oct., 1985), pp. 803-813

Westney, D.E., 1988. Domestic and Foreign Learning Curves in Managing International Cooperative Strategies, In Inkpen, A.C. & Birkenshaw, J., 1994. *International Joint Ventures and Performance: an Inter-organizational Perspective*, *International Business Review* Vol. 3, No. 3, pp. 201-217, 1994

- Wit B.D. & Meyer.R., 2004. Strategy Process, Contents , Context. An International Perspective. 3<sup>rd</sup> edn., Thomson Yorkshire
- Williamson, O. E., 1985. The Economic Institutions of Capitalism. In: Romar, E.J., 2004. Globalization, Ethics, and Opportunism: A Confucian View of Business Relationships, Ethics Quarterly, Volume 14, Issue 4
- Woodcock, C., Geringer, M., 1991. An exploratory study of agency costs related in the control structure of multi-partner, international joint ventures. In: Academy of Management Best Papers Proceedings. pp. 115–118.
- Yoshino, M.Y. & Rangan, U.R., 1995. Strategic Alliances: An Entrepreneurial Approach to Globalization, 3<sup>rd</sup> Edition. Harvard Business Publisher , 259 p.
- Zakaria, N., 2000. The effects of cross-cultural training on the acculturation process of the global workforce. International Journal of Manpower 21 (6), 492–510.
- Zikmund, W. G., 2003. Business Research Methods, 7th Edition. Thomson South- Western, USA, 748 p.
- Zotto, C.D., 2003. Absorptive Capacity & Knowledge Transfer Between Venture Capital Firms & Their Portfolio Companies. Theme D: Absorptive Capacity and Learning Strategies. Paper to be presented at the DRUID Summer Conference 2003 on Creating, Sharing & Transferring Knowledge. The role of Geography, Institutions and Organizations. Copenhagen June 12-14, 2003

### **Internet Sources**

- <http://www.norway.com/directories/dcompany.asp?id=1369>
- <http://www.jpowers.co.jp/english/index.html>
- <http://www.toyota-indus.com/>
- [http://www.deloitte.com/view/en\\_US/us/index.htm](http://www.deloitte.com/view/en_US/us/index.htm)
- <http://www.telenor.com.pk/> and <http://www.telenor.com/>
- <http://www.saint-gobain.com/en/>
- <http://www.saudiaramco.com/irj/portal/anonymous?favlnk=%2FSaudiAramcoPublic>

%2- Fdocs%2FA+Glance%2FOur+StoryandIn=en

[http://www.shell.com/home/content/aboutshell/our business/previous business structure/exploration production/exploration and production 28032008.html](http://www.shell.com/home/content/aboutshell/our%20business/previous%20business%20structure/exploration%20production/exploration%20and%20production%2028032008.html)

[http://www.geert-hofstede.com/hofstede arab world.shtml](http://www.geert-hofstede.com/hofstede%20arab%20world.shtml)

<http://www.businessdictionary.com/definition/keiretsu.html>

<http://www.infed.org/thinkers/argyris.htm>

[http://books.google.com/books?id=QIyIWVhdYoYC&source=gbs navlinks s](http://books.google.com/books?id=QIyIWVhdYoYC&source=gbs_navlinks_s)

[http://www.shell.com/home/content/aboutshell/our business/previous business structure/exploration production/exploration and production 28032008.htm](http://www.shell.com/home/content/aboutshell/our%20business/previous%20business%20structure/exploration%20production/exploration%20and%20production%2028032008.htm)

([http://www.shell.com/home/content/ae-en/shell for businesses/oil gas exploration production/exploration production/exploration and production 2810.html](http://www.shell.com/home/content/ae-en/shell%20for%20businesses/oil%20gas%20exploration%20production/exploration%20production/exploration%20and%20production%202810.html)).

<http://www.petroleum.gov.eg/>

<http://www.highbeam.com/doc/1G1-140014805.html>

[http://www.shell.com/home/content/aboutshell/at a](http://www.shell.com/home/content/aboutshell/at%20a%20glance/)

[glance/ http://www.geert-hofstede.com/hofstede arab world.shtml](http://www.geert-hofstede.com/hofstede%20arab%20world.shtml)

<http://www.business247.ae/Articles/2008/5/Pages/05292008>

0cba11c6867144d3bfc1e81e-

3ccb48db.aspx

## Appendix A

# SUMMARY OF THE RESEARCH

*This summary was sent to all respondent before conducting the interviews in order to ensure that they will have clear idea about the said issue and to familiar with the main issues raised in the questionnaire.*

## Summary of the Study

Irfan, Irfan

*University of Aagder, Kristiansand, Norway*

In the last two decades, companies are tending more and more to form cooperative alliances, especially across borders. Among others one of the basic motives of forming and engaging in alliance activities is learning and knowledge acquisition. But the national, industry and organizational cultures have profound effect on the learning process among the joint venture partners. Those cultural differences play a vital role and some time lead to otherness, which highly influences the learning process with in International Joint Ventures/ alliances.

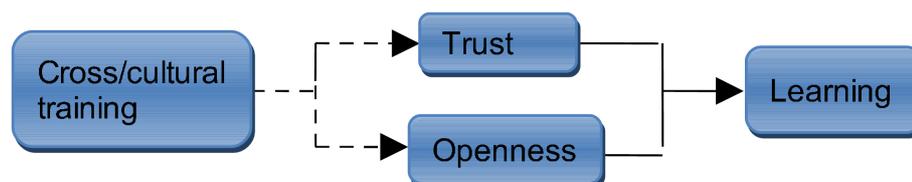
After literature review, a learning framework was proposed with the organization. Which suggests that the knowledge creation and learning process start, with the formation of alliance, when the resources flow from parent firms to the joint venture? When the joint venture is formed and the individual knowledge is being developed to group knowledge and learning by mutual practicing. The organization is the sum of individual and the learning of individual lead to organizational learning. The International joint venture has separate identity as it has a hybrid culture of the parents in new organization. Here the suggestion is that culture would have an impact on the learning process at all level i.e. individual, group

and organizational. The main focus in study is on organizational level. The cultural distance and otherness will have high influence on the process of learning and absorbing knowledge, because organizational knowledge is also embedded in the system, routine, practices and organizational culture. This should also be embedded in the shared values, skills, working style, that are influential in shaping the hard side, such as structure and systems. When different cultures are brought together thorough an alliance, they can generate barriers to cooperate while at the same time offering potential benefits for each partner in shape of learning (Child and Faulkner, 1998). Thus, cultural differences can be a barrier or resource, implementing cultural distance itself does not decide the failure or success of learning process. There are also other dimensions that shape the learning process with in Joint Venture. Those are influenced by cultural differences but they are also influencing the relation between those cultural differences and the learning process, leading to an effective learning and vice versa.

Three dimensions of learning re used here in this study as, learning capacity, parent experience and the partner interactions. This research aims primarily to explore how the learning process between the partners are influenced by the cultural differences within the joint venture itself, thus among the partner in the joint venture, the third dimension will be point of focus. The remaining two dimensions are seems to be relevant to the relationship between the joint venture and the parent companies. It is suggest that cultural differences influence on two factors, i.e., degree of trust and openness, both can affect the relation between the cultural differences and the learning process, as they are shipping the learning process itself.

To operationalize this relation and organizational factor had to be found that is related to the cultural differences and at the same time have influence on the inter-organizational learning especially in International Joint Venture represented by trust and openness. The factor which are using here in this research is Cross/Cultural Training.

The basic conceptual model can be a



The dotted arrows shows relationship under investigation, the influence of cross-cultural training on trust and openness among the partners within International Joint Venture,

whether it enhanced performance. Your cooperation and help will be able to proceed further and will explore the above mentioned relationship as mentioned in the model.

## Appendix B

# **QUESTIONNAIRE**

## **The Influence of Crosscultural Training on Learning Process**

Dear Participant,

I would appreciate if you take time to fill in this questionnaire. The questionnaire is part of a research study involves collecting valuable information that will assist "The Influence of Intercultural Training on the Learning Process with in the International Alliances (Joint Ventures)". Having effective cross cultural training influence the learning process in International Joint Ventures. Your responses are important in enabling me obtain full understanding of the said issue.

The questionnaire should take you a few minutes to complete. Please answer the questions to represent your real view of what is being asked. The information you provide will be treated in the strictest confidence.

The finding from your questionnaire and others will be used as the main data set for my master thesis for my degree in Business Management at University of Agder-Norway.

I hope you will find completing the questionnaire enjoyable. If you have any question, queries or would like further information, please contact on

Andreas W. Falkenberg  
Professor/thesis advisor  
Faculty of Economics & Socail Sciences  
University of Agder-Norway  
andreas.falkenberg@uia.no

Irfan Irfan  
Master's candidate  
e-mail: irfana07@student.uia.no  
Cell phone: 00 47 46 35 15 05

Your answer will be anonymous  
Read about anonymity here...

Please start with filling the following information

### **Your Name**

### **Your age**

- Select answer -

### **Gender**

Male  Female

**Your current position**

**How long have you been working in this position? (Answer in years)**

1  2  3  4  5  6  7 or more

**How long have you been working for the company? (Answer in years)**

1  2  3  4  5  6  7 or more



**Joint Venture**

**What is the Industry type?**

**Age of the Joint Venture/partnership:**

**Type of Joint Venture/partnership**

**Main purpose/aim of this Joint Venture/partnership:**

**Country of Origin of your partener firm:**

**Partener's country of origin:**

**Country/Locations of Joint Venture/partnership operation:**



**Performance of the Joint Venture/partnership:  
How would you evaluate the performance of the joint venture.  
Please use the scale from 1= poor to 7=good**

	1	2	3	4	5	6	7
Market share	<input type="radio"/>						
Customer Services	<input type="radio"/>						
Profitability	<input type="radio"/>						
New Contracts	<input type="radio"/>						

**Has the JV/ partnership been a success? Where 1= not successful, 7=successful**

	1	2	3	4	5	6	7
From the employees' point of view	<input type="radio"/>						
From the parent company's point of view	<input type="radio"/>						

**opinion about JV/partnership. Please use the scale 1= strongly disagree, 7= strongly agree  
Within this Joint Venture...**

	1	2	3	4	5	6	7
The partners are learning	<input type="radio"/>						
There will be further cooperation	<input type="radio"/>						
There is high expectation of longevity	<input type="radio"/>						



**Cross Cultural Training**

**Did your company offer you any kind of cross cultural training while entering into joint venture/partnership?**

Yes  No

**If yes, what sort of training?**

**It is effective....**

	1	2	3	4	5	6	7
Before entering into JV	<input type="radio"/>						
After entering into JV	<input type="radio"/>						

**Is it enhance learning?**

1    2    3    4    5    6    7

**On the content of the home company's CCT programme I received...**

	1	2	3	4	5	6	7
Information to identify host country's values	<input type="radio"/>						
Information about interaction with host nationals	<input type="radio"/>						
how to interact with host country nationals	<input type="radio"/>						
Social etiquette of host country	<input type="radio"/>						
Business etiquette of host country	<input type="radio"/>						
Host country's political system	<input type="radio"/>						
Host country's social system	<input type="radio"/>						
Host country's economic issues	<input type="radio"/>						
Home country relations with host country	<input type="radio"/>						



**Does your company work collaboratively with programs, agencies that provide... , where 1=not all to 7=very well**

	1	2	3	4	5	6	7
Employee training	<input type="radio"/>						
Specific job training	<input type="radio"/>						
Employee development	<input type="radio"/>						
Refresher courses	<input type="radio"/>						
Exchanges of employee at all levels with its partners	<input type="radio"/>						

- General trait
- Personality building and leadership
- Cross/inter-cultural training
- Encouraging employee to take ethnic courses
- Do employees regularly attend cross cultural workshops
- Others



**Please mention if you or your company is involved in training which is not described above.**

**Where the training was given/giving?**

- Guest Culture
- Host Culture
- Elsewhere.....(country)

**Have you taken any of the following training?**

	Yes	No
Documentary/Videos,visual Studies	<input type="radio"/>	<input type="radio"/>
Cultural Simulation	<input type="radio"/>	<input type="radio"/>
Cases	<input type="radio"/>	<input type="radio"/>
Field and practical experience	<input type="radio"/>	<input type="radio"/>
Language & communication	<input type="radio"/>	<input type="radio"/>
SAP, ERP and other computer related packages trainings	<input type="radio"/>	<input type="radio"/>



	Documentary, Videos, Visual Studies	Cultural Simulation	Field and practical experience	Language & communication
Teach partner's culture history, economy, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

institutions through visuals

Expose the participant to critical incidents of other cultures

Practicing on real cases & situations

Sending employees and managers for diversity learning

Basic communication skills

**Training was/were used**

- Select answer -

**Please specify the length of training in days:**

**Who were the participants of the training?**

**Do you feel that cross cultural training is valuable?**

1  2  3  4  5  6  7

**How would you rate the elements of your cross cultural training (CT)?( 1= poor to 7= good)**

	1	2	3	4	5	6	7
Knowledge about other cultures	<input type="radio"/>						
Ways to how to adjust with other cultures	<input type="radio"/>						
Cultures influences working attitude, and perception	<input type="radio"/>						
Global mind set influence the cross-cultural learning	<input type="radio"/>						
CT highly influence	<input type="radio"/>						

relationship among partners	<input type="radio"/>						
CT highly influence communication among partners	<input type="radio"/>						
Objective of the training was/is accomplished	<input type="radio"/>						
Learning process is enhanced through CCT	<input type="radio"/>						

**Note: Please add additional elements which you enjoyed or missed in your training:**



**Please rate your knowledge about the host country..., where 1=poor to 7=good**

	1	2	3	4	5	6	7
National culture values	<input type="radio"/>						
History	<input type="radio"/>						
National language	<input type="radio"/>						
Family structure	<input type="radio"/>						
Business & organizational culture	<input type="radio"/>						
Economy	<input type="radio"/>						
Religion	<input type="radio"/>						
Geography	<input type="radio"/>						
Politics	<input type="radio"/>						

**Openness:**

**Did your Cross-Cultural Training...**

	1	2	3	4	5	6	7
improve the communication process within IJV	<input type="radio"/>						
make you aware of cultural							

differences between your's and your's partner organization	<input type="radio"/>						
helped you accept/understand the differences between your's and partners organization	<input type="radio"/>						
improve openess	<input type="radio"/>						
improve communication	<input type="radio"/>						

**Trust**

**Is/was this Joint Venture is the first cooperatin between the partners?**

**Can you please describe that the contract between the partners**

	1	2	3	4	5	6	7
is detailed one	<input type="radio"/>						
loose one; based on trust mostly	<input type="radio"/>						
is it creating constraints of the partner's actions	<input type="radio"/>						



**If yes, then is this mechanism**

	1	2	3	4	5	6	7
Increased after the cross cultural training	<input type="radio"/>						
Decrease after the cross cultural tarining	<input type="radio"/>						
Remains the same after cross cultural training	<input type="radio"/>						

**Would you consider that cross-cultural training?...**

	1	2	3	4	5	6	7
--	---	---	---	---	---	---	---

Leads to more social  
interaction & improved  
relationship?

Boost the trust within the  
joint venture?

Improved the performance  
of the joint venture

---

© Copyright www.questback.com. All Rights Reserved.