

## MASTER'S THESIS

### Sustaining satisfactory performance in joint ventures: the antecedents of IJV performance and the role of conflict resolution styles

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**Sustaining Satisfactory Performance In Joint Ventures: The  
Antecedents of IJV Performance and The Role of Conflict  
Resolution Styles**

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Master of Philosophy

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## **Abstract**

An international joint venture (IJV) is a form of strategic alliance which is used as a market entry tool, especially for developing countries. China, for example, is believed to have more IJVs than any other country in the world. Despite this increasing popularity, however, IJVs tend to be problematic and have a high failure rate. One major reason for this is that the importance of conflict resolution and how conflict resolution works in IJV management are often neglected. This happens in practice, and also in academic literature which links into this area of study. In this thesis, two new antecedents, cultural sensitivity and complementarity, are introduced, and conflict resolution styles are proposed to mediate the relationship between these two antecedents and IJV performance. In addition, a more comprehensive model of conflict resolution styles is employed, in which two of the styles, namely avoiding and sharing styles, have not been investigated in IJV studies according to the published literature.

To test the hypotheses, Sino-Japanese IJVs in Mainland China were chosen. Sino-Japanese IJVs have become increasingly important (as Japan is the second largest of China's trade partners) but have been almost totally ignored by previous researchers. The results of this study suggest that these two antecedents have significant effects on IJV performance, and that the relationship is mediated by some of the conflict resolution styles, namely collaborative, competitive, accommodative, and sharing styles.

The study's results also indicate that parent firms should pay more attention to partner selection when embarking on IJVs. Whether the partners are culturally sensitive and interdependent can affect the outcomes of an IJV. On the other hand, the effect of cultural sensitivity and complementarity on IJV performance works through how the partners solve the conflicts between them. Collaborative, accommodative, and sharing styles will help to solve conflicts constructively and so lead to better IJV performance, but a competitive style will negatively affect IJV performance.

## Table of Contents

<b><u>Declaration</u></b> .....	i
<b><u>Abstract</u></b> .....	ii
<b><u>Acknowledgements</u></b> .....	iii
<b><u>Table of Contents</u></b> .....	v
<b><u>List of Tables</u></b> .....	ix
<b><u>List of Figures</u></b> .....	x
<b><u>Chapter 1 Introduction</u></b> .....	1
1.1 Background.....	1
1.2 The Current Situation of Sino-Japanese IJVs.....	2
1.3 Research Objectives.....	3
1.4 Research Methodology.....	4
1.5 Outline of the Thesis.....	4
<b><u>Chapter 2 Literature Review</u></b> .....	5
2.1 Previous Research on IJV Performance .....	5
2.1.1 Measures.....	5
2.1.1.1 Objective Indicators.....	6
2.1.1.2 Subjective Indicators.....	7
2.1.2 Perspective.....	8
2.1.3 Factors Contributing to IJV Performance.....	9
2.1.3.1 Ex Ante Variables.....	10
2.1.3.2 Ex Post Variables.....	10

2.1.3.2.1 Cultural Similarity.....	12
2.1.3.2.2 Relative Power.....	13
2.1.3.2.3 Relationship Age.....	15
2.1.3.2.4 Conflict Resolution.....	16
<b>2.2 The Research Gap.....</b>	<b>21</b>
2.2.1 Limitations in Regard to Conceptualization.....	21
2.2.2 Limitations in Regard to the Effects of Conflict Resolution Styles.....	21
2.2.3 Limitations in Regard to Different Contexts.....	22
<b>2.3 Contributions of this Research.....</b>	<b>22</b>
<b><u>Chapter 3 Hypothesis Development.....</u></b>	<b>24</b>
<b>3.1 Models of Conflict Resolution Styles.....</b>	<b>24</b>
<b>3.2 The Main Effects of Cultural Sensitivity and Complementarity on IJV Performance.....</b>	<b>29</b>
<b>3.3 The Mediation Effect of Conflict Resolution Styles.....</b>	<b>32</b>
3.3.1 The Determinants of Conflict Resolution Styles.....	32
3.3.2 The Effects of Conflict Resolution Styles on IJV Performance.....	35
<b><u>Chapter 4 Research Methodology.....</u></b>	<b>41</b>
<b>4.1 Introduction.....</b>	<b>41</b>
<b>4.2 Research Design.....</b>	<b>41</b>
4.2.1 Exploratory Research.....	41
4.2.1.1 The Literature Research.....	42
4.2.1.2 Personal Interviews.....	42
4.2.2 Descriptive Research.....	44
4.2.3 Data Collection Method.....	44

<b>4.3 Sampling.....</b>	<b>45</b>
4.3.1 The Population and the Sampling Frame.....	46
4.3.2 The Sampling Method.....	47
4.3.3 The Sample Size.....	48
<b>4.4 The Measure Instruments.....</b>	<b>48</b>
4.4.1 The Dependent Variable.....	48
4.4.2 The Independent Variable.....	49
4.4.3 The Mediators.....	50
4.4.4 The Control Variables.....	51
<b>4.5 Questionnaire Design.....</b>	<b>52</b>
<b>4.6 Procedure.....</b>	<b>52</b>
<b>4.7 Data analysis.....</b>	<b>53</b>
4.7.1 The Independent T-Test.....	53
4.7.2 The Reliability Test.....	54
4.7.3 Confirmatory Factor Analysis.....	54
4.7.4 Multiple Regression.....	57
4.7.4.1 The Main Effect.....	57
4.7.4.2 Mediation Effect.....	57
<b><u>Chapter 5 Data Analysis and Results</u>.....</b>	<b>59</b>
<b>5.1 Introduction.....</b>	<b>59</b>
<b>5.2 Profile of the Respondents.....</b>	<b>59</b>
<b>5.3 The Independent T-Test.....</b>	<b>61</b>
<b>5.4 Factor Analysis.....</b>	<b>61</b>

5.4.1 The Reliability of Ex Post Variables.....	61
5.4.2 Confirmatory Factor Analysis for Ex Post Variables.....	64
5.4.3 Reliability of the Conflict Resolution Styles Construct.....	68
5.4.4 Confirmatory Factor Analysis for the Conflict Resolution Styles Construct.....	68
<b>5.5 Hypothesis Testing.....</b>	<b>72</b>
5.5.1 Correlation of the Variables.....	72
5.5.2 The Main Effect.....	72
5.5.3 The Mediation Effect.....	72
 <b><u>Chapter 6 Discussion.....</u></b>	 <b>78</b>
<b>6.1 Summary of the Results.....</b>	<b>78</b>
6.1.1 The Results of the Main Effect.....	78
6.1.2 The Results of Mediation Effect.....	79
<b>6.2 Theoretical Implications.....</b>	<b>82</b>
<b>6.3 Managerial Implications.....</b>	<b>82</b>
<b>6.4 Limitations and Future Research.....</b>	<b>85</b>
 <b><u>References.....</u></b>	 <b>87</b>
<b><u>Appendix 1 Questionnaire, English Version.....</u></b>	<b>99</b>
<b><u>Appendix 2 Questionnaire, Chinese Version.....</u></b>	<b>103</b>
<b><u>Appendix 3 Cover Letter to Questionnaire Respondents, Chinese Version.....</u></b>	<b>107</b>
<b><u>Appendix 4 Questionnaire, Japanese Version.....</u></b>	<b>108</b>
<b><u>Appendix 5 Cover Letter to Questionnaire Respondents, Japanese Version.....</u></b>	<b>112</b>
<b><u>Curriculum Vitae.....</u></b>	<b>113</b>