

Impact of Cultural Variations on Knowledge Transfer in International Joint Ventures – The UAE Example

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Abstract

Knowledge management is considered a crucial organizational issue. Knowledge is regarded as an indispensable resource for organizations. As a result, organizational learning has become one of the most challenging tasks of modern organizational management. In this context, international joint ventures are considered the most appealing approach to achieve organizational learning. From a knowledge perspective, the objective of international joint ventures is to transfer organizationally embedded knowledge between the distinct joint venture partners. Such knowledge transfer, however, is influenced by the cultural variations between joint venture partners. The present study examines the relationship between national and organizational culture variations and knowledge transfer in international joint ventures. The effects of knowledge types and joint venture age in the transfer process are also investigated in this study. The study utilized the survey method to collect the research data from joint ventures operating in the UAE and quantitatively analyzed the data to arrive at the outcomes of the research. The findings of the study suggest that both national and organizational cultures have mixed influence on knowledge transfer. Organizational culture is shown to have greater influence as the joint venture matures overtime. The findings of this study have both practical and academic implications that can be explored in conjunction with western research outcomes.

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1.0 CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND

Studies on the impact of culture on organizational outcomes have become increasingly popular due to the rapid changes in corporate environments and the globalization of firms. In this context, international joint ventures (IJVs) have been the theme of many researchers due to its popularity and suitability for the globalization era. IJV provides an excellent environment for knowledge transfer (Hau and Evangelista 2007). However, knowledge transfer is influenced by organizational and cultural contexts. Cultural variations are among the main challenges for IJVs. According to Child (2003), the major impediment to successful joint ventures is the failure to achieve inadequate fit between the two partners in two areas: strategy and culture. Whilst the majority of joint ventures exert all efforts to ensure successful fit in strategic issues such as objectives and resources, many fail to achieve a cultural fit (Child 2003). In the UAE, the rapid transition and growth of the economy has changed the partnership, procurement, and knowledge management dramatically as there are growing competition and investment influx of foreign firms. These changes have stressed for greater understanding of cultural differences and how it contributes towards many organizational outcomes such as knowledge transfer. Organizations now seek to adopt most appropriate culture type so they can remain competitive, enhance organizational learning, and avoid disturbances to their change strategies.

1.2 WHY CULTURE IS IMPORTANT FOR IJV STUDIES

The study of cultural impact on knowledge management processes is undoubtedly critical for the survival and performance of IJVs. The rationale behind this thinking is due to many grounds as observed from the performance of IJVs in the last few decades.

Culture is a source of external uncertainty for IJVs (Lu and Hebert 2005). Cultural distance creates difficulties in identifying the values and non-verbal behaviour of the partner's members (Hau and Evangelista 2007). The IJV identity and own culture will be affected by the cultural background of its members because individuals in a particular country bring their shared values to the IJV. In other words, IJV values are a reflection of the national culture of both parent organizations. The bigger the national distance between partners the more difficult it is to understand each other. This cultural gap may lead to mistrust and suspicion and eventually dissatisfaction about the performance of the IJV. Disadvantages associated with IJV include inadequate planning, and frustrations arising out of conflicts over critical cultural issues which were ignored during the set-up process (Lichtenberger and Naulleau 1993).

1.3 THE UAE INTERNATIONAL BUSINESS BACKGROUND

After the establishment of the UAE in 1971, the main focus in international strategy was the utilization of oil and gas revenues to build the basic infrastructure and improve the wealth of its citizens. Knowledge acquisition and management were not emphasized then because of the shortage of qualified people. Foreign firms were allowed to access the local resources in certain industries and contribute to the national GDP through partnership arrangements and free zone formation. Two decades later, the UAE was able to transform from knowledge-deficient partners to international contestant and global assets seekers. The economic growth rate has been over 7 percent in 2008 and is expected to grow. The UAE business environment has changed to a highly competitive market economy. In this transition, international joint ventures were crucial to the UAE international strategy. The rapid growth has helped fuel the UAE businesses thirst for new knowledge. Now UAE firms (especially government firms) seek to manage knowledge and actively transfer technology and management skills to the local knowledge base. For foreign investors, the UAE has become very attractive and promising because of its business infrastructure. As a result, the performance of international joint ventures has become particularly important. The UAE economy is

characterized as being emerging and transitional. In transitional economy, the stakeholders focus on the survival of the IJV and therefore have strong incentives for knowledge transfer (Si and Bruton 1999).

1.4 RESEARCH AIM AND OBJECTIVES

This study was motivated by the following research questions: (1) what is the relationship between national culture, knowledge types and knowledge transfer in international joint ventures?; (2) what is the relationship between organizational culture, knowledge types, and knowledge transfer in international joint ventures?; (3) Which knowledge dimension is influenced the most by cultural contexts?; and (4) which level of culture, national or organizational, has greater impact during the early phase as well as the maturing phase of the IJV? The first and second questions specifically examine the influence of certain dimensions of national and organizational culture that facilitate or inhibit knowledge transfer between IJV partners. The third question is directed at exploring the significance of the knowledge type being tacit or explicit in the knowledge transfer process. The fourth question examines the effect of time (IJV age) on the impact of national and organizational culture on the knowledge transfer process. The context in examining these research questions will be knowledge transfer in IJV based in the UAE.

The objectives of the paper are therefore threefold. **First**, to empirically examine the effects of three national culture dimensions (individualism-collectivism, power distance, and uncertainty avoidance) and six organizational culture dimensions (process versus result oriented, employee versus job oriented, parochial versus professional oriented, open versus closed system oriented, tight versus tight control oriented, and normative versus pragmatic oriented) on the process of knowledge transfer in IJV. **Second**, to explore whether the cultural factors affecting explicit knowledge transfer has the same or different impact on tacit knowledge transfer. **Third**, to assess the impact of both national and organizational culture on knowledge transfer during the early phase as well as the maturing phase of the IJV.

1.5 STRUCTURE OF THE DISSERTATION

This paper is structured as follows: First, the literature is reviewed on the subjects of joint venture, knowledge types and knowledge transfer, national culture, and organizational culture. Second, the literature is used to develop certain hypotheses about the relationship between knowledge transfer, knowledge types, and both national and organizational cultures. Third, the researched methodology is detailed. Fourth, the findings of the study are reported and discussed. Finally, the implications, recommendations, limitations and conclusions of the study are presented. In this study, survey data from joint ventures operating in the UAE are collected and analyzed. The quantitative analysis is then used to statistically test the hypotheses about the impact of cultural variations on knowledge transfer in joint ventures.

2.0 CHAPTER TWO: LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, the insights of researchers in the field of joint venture, knowledge transfer, national culture and organizational culture are presented and discussed. The literature is then used to develop certain hypotheses about the relationship between the research variables. The main focus is to research the theories and findings about knowledge transfer in IJV and the cultural precedents that affect such a process.

2.2 JOINT VENTURES

2.2.1 Definition, Types, and Life-Cycle of Joint Ventures

The most popular definition describes IJV as a separate legal and organizational entity built from the partial holdings of two or more parents firms in which the headquarters of at least one is located outside the country of operation of IJV (Lichtenberger and Naulleau 1993, Kandemir and Hult 2005). Joint venture involves two legally distinct organizations (the parents), each of which shares the decision-making activities of a jointly owned entity (the child). IJV is a cooperative operation formed by independent entities from different countries to achieve common or complementary objectives (Cui 2005). The venture's partners may be privately owned companies, government agencies, or government owned companies.

IJV is identified as either a contractual joint venture or an equity joint venture. A contractual joint venture refers to a partnership in which two or more partner organizations share the costs, risks, and profits of the investment. An equity joint venture includes the sharing of assets in addition to the costs, risks, and profits (O'Connell1999).

Lichtenberger and Naulleau (1993) indicate that the life cycles of the IJV can be split into three phases. First is the start-up phase which includes feasibility studies, negotiations, agreements, divisions of responsibilities, and choice of management executives. Second is the maturity phase which includes strategy implementation, performance monitoring, structuring, and development. Finally the end phase when IJV usually ends up either with termination or transformation into a wholly owned subsidiary by one of the partners.

2.2.2 Complexity of JV

IJVs are complex and difficult to manage entities. Buckley, Glaister, and Husan (2002) show that there are many skills involved in managing the IJV: inter-partner skills, skills required by the parents firms of managing the IJV, skills required by the IJV managers to manage the parents' relationships, and skills required by the IJV managers to ensure successful operation and performance of the IJV itself. To add to the complexity, knowledge transfer in IJVs has many directions. It can be from the parent organizations to the IJV or vice versa (Lane, Salk, and Lyles 2001). Moreover, IJV are hybrids of two different organizations. In fact, there are three managements involved: the two parent organizations and the management of the IJV itself. As a result, the implementation of the strategy and setup of organizational culture will be subject to many variables and challenges.

2.2.3 The Significance and Objectives of Joint Ventures

Innovative arrangements such as acquisitions and joint ventures represent alternative instruments of diversification (Pennings, Barkema and Douma 1994). Partnerships strategies is vital to achieve competitive advantage by gaining market access, and to overcome the inherent risks associated with new product development, quicken the speed of innovation, gain access to distant resources (Muthusamy and White 2005). Firms prefer these methods because it entails fewer risks. Pennings, Barkema and Douma (1994) noted the rise of joint ventures in the 1990s because this arrangement increases the realms of their business. Joint venture can fast track the growth of

organizations more than the organic growth method (Child 2003). In the UAE, the rapid changes in economy made the competition even fiercer which made exposure to foreign standards and technology is indispensable. Therefore, the selection of joint venture strategies has become increasingly popular in recent years despite failure incidents and challenges. The main reasons for this popularity can be attributed to three main factors. These are the globalization process, hostile project environment and increased competition among international firms.

1) Globalization Process

Globalization has offered many benefits to international firms such as access to foreign markets, cheap labour, and cost advantage (Barkema, Bell and Pennings 1996). IJV is considered an expedient way to tap into new market, gain skills, technology, or products (Lichtenberger and Naulleau 1993). IVJ allows foreign firms to access distant assets and reduce the uncertainty in international markets (Lu and Hebert 2005). Other advantages of joint ventures compared to entering through wholly owned enterprises or subsidiaries include sharing of costs and risks of foreign entry, and use of local partner's knowledge about the local market, institutions, customers' preferences, and business practices (Barkema and Vermeulen 1997). The authors argue that the benefits of having a local partner who knows the about the local market, local customers' preferences, and institutional framework outweigh the potential hazards of cultural difficulties. The two partners might have different reasons to enter in a joint venture agreement; the foreign partner may desire to penetrate new markets, and learn about the local environment to develop political links; whereas the local partner wishes to gain access to international standards and quality (Child 2003).

In their review of the literature, Barkema, Bell and Pennings (1996) summarize three dynamic models in which firms go international. These models are: the product life cycle, the innovation-adoption model, and the Uppsala process model. In the product life cycle model, the new product will be first introduced in the home country and then go international after considerable growth and maturity and such strategy will be determined by cost factors. In the innovation-adoption model, internationalization occurs in classified development stages which are governed by past experiences. The

third model, the Uppsala model, organization learning and familiarization of other national culture firms gradually increase firms' international involvement. The authors suggest that the third model unfold the creation of joint ventures or acquisition after being successful in export activities.

2) Hostile Project environments

Project environments (e.g. technology, competitive positions, consumers' demands, and security) today are becoming increasingly complex, highly turbulent and rapidly changing. These hostile environments demand more innovative and effective procurement methods and collaborative approaches such as partnering. To overcome the global challenges, IJV is considered a strategic tool to improve innovation capacity of an organization (Kandemir and Hult 2005). Joint Venture is one of the ways organizations can deal with emerging problems related to changes in the technology and market (Chen and Mohamed 2006). In the public sector, local governments are increasingly concerned with the efficiency of management, delivery and effectiveness of joint ventures; on one hand to avoid opportunistic behaviours and exploitation from foreign partners, and on the other hand, to enrich their projects expertise and knowledge. A highly hostile environment cause potential threats and problems in the IJV and act as a moderating factor on knowledge transfer (Hau and Evangelista 2007).

3) The speed of competition

The speed of competition has made organic growth seem excessively time-consuming (Bresman, Birkinshaw and Nobel 1999). Vis-a-Vis, joint ventures have become an attractive means to expand the firm's markets and sales. Many international corporations are competing for business opportunities in the emerging regions in the form of joint venture in light of the severe global competition, challenges and concerns over the energy supply and increased focus on value for money.

From the above literature findings, the objectives of joint ventures can be summarized as follows:

- Access of distant markets, resources, and cheap labour
- Reduce external environment uncertainty and risks

- Sharing of costs and projects risks
- Maintain competitive advantage
- Increase the innovation capacity
- Transfer of technology, skills, and new knowledge as part of organizational learning
- Use of local knowledge
- Develop political links with the host country

2.2.4 Equity Sharing and Control of the IJV

Joint ventures can be in any arrangement; 50:50 or others. The issue of foreign and local percentages in the joint venture demonstrate different ways of dealing with uncertainty (Child 2003). The author suggests two models in relation to uncertainty and trust. In the low-trust model, the foreign partner seeks to control the venture to ensure its success especially if the local partner is less experienced in terms of management and technology. The disadvantage here is that the knowledge of the local partner is not utilized. In the high-trust model, the partnership is equally controlled and contributions from both partners are resourced to maximize the success opportunities. The disadvantage here is that conflicts are difficult to resolve because of equal voting. Lu and Hebert (2005) spanned the literature and found that there are mixed views on the relationship between equity control and IJV performance. 50:50 equity based IJVs are aimed at joint innovative activities and development of new technology through R & D ventures. These forms are normally remotely located outside their parent's countries to avoid dominance from one parent over the venture (Kandemir and Hult 2005).

Control in IJVs refers to the extent of authority and influence over the strategic and operational decisions and methods (Lu and Hebert 2005). It also describes the process by which one entity influence, to varying degrees, the behaviours and output of another entity through power and authority (Child and Yan 1999). Authority and influence are reflected in the power positions of each partner. Because power is regulated by knowledge and resources; consequently, the extent of need of foreign partner to local resources and assets dictate equity sharing (Lu and Hebert 2005). Increased needs will

results in lower equity sharing, and vice versa. Similarly, the local partner's need for knowledge will dictate its share percentage. A local partner who is striving for knowledge is more willing to accept less control. Child and Yan (1999) suggest that control is influenced by two types of resources: equity and non-equity. Examples of equity resources are cash, land, buildings and plant. Non-equity resources include technology, management expertise, local knowledge, raw material, and global service support.

2.2.5 Challenges of IJV

Despite the benefits of joint venture as an innovative strategy, this route is surrounded with many problems leading to joint ventures failure (Bresman, Birkinshaw and Nobel, 1999; Muthusamy and White, 2005). IJVs are difficult to manage and are doomed to instability and failure because they are unstable organizational forms (Lichtenberger and Naulleau 1993). Many IJVs suffer from communication, commitment, and conflict problems caused by differences between partners' values and behaviours which in turn cause interaction problems between them. According to Pothukuchi et al. (2002), up to 70% of joint ventures suffer from performance problems leading to costly failures.

The reasons for IJV failure can be attributed to three factors: 1) conflicts, 2) knowledge expectations of the two partners, and 3) market environment.

In the first category, conflicts can arise because of both cultural and strategic issues. Lichtenberger and Naulleau (1993) argue that there are three sources of conflicts and thus failures: First, strategy of partner and control of the IJV. Second, management under 'multiple parenting'. Decision making is affected by the double parenting phenomenon. There are three different entities involved in IJV – the two parents and the IJV itself – each having its own organizational culture, structure, and information technology. The 'multiple parenting' creates differences in decision making and management styles. One parent firm may favour a participative management style while the other may prefer a more autocratic style. Third, IJV's hybrid culture and identity. Creation of one identity is difficult to achieve because of the cultural backgrounds of IJV members. The majority of IJV conflicts are centred around cultural issues

(Lichtenberger and Naulleau 1993). The biggest challenge is to align the cultures of both partners to create a new supportive culture. Joint ventures have to contend with both national and corporate culture before they become successful multinational enterprises (Barkema, Bell and Pennings 1996). The cultural differences create barriers to achieve transfer of essential knowledge. Overtime, problems begin to surface much of the interaction between IJV members and stereotypes such as “we” versus “they” begin to characterize these interactions (Lichtenberger and Naulleau 1993).

In the second category of reasons for failure, the expectations of the partners in terms of knowledge acquisition and learning are not fully satisfied. Most of the root causes of un-satisfaction of IJVs are attributed to learn from each other and achieve knowledge acquisitions goals. Because the two partners’ knowledge needs are different, their evaluation of the success of IJV also differs (Si and Bruton 1999). Whilst IJV can be successful in terms of commercial gains, its knowledge acquisition gains may indicate otherwise. The real success can be gauged when parent organizations can utilize what they have learned from the IJV in future projects.

In the third category, market environment conditions could change and lead to serious threats to the survival of the IJV. Market segments could disappear. Financing of the joint projects could be halted. In difficult times, IJV may also introduce the risk of losing its critical capabilities or skills to a partner without gaining any benefits (Muthusamy and White 2005).

In summary, IJV is a separate legal and organizational entity formed between two distinct organizations to achieve the strategic goals of the parent firms. It can be a contractual agreement or an equity based venture which shares the assets of parent organizations. IJV is a complex arrangement because of the multiple parenting structures and the variety of parenting skills required to manage the IJV. Control in IJV is driven by the resource dependence theory. IJV is subject to serious challenges and failure rates which are mainly due to conflicts between the two partners and knowledge transfer deficiency. Despite its challenges, IJV is very popular because of its ability to

expand the growth globally, overcome market and political risks, and fast track the organizational learning process.

2.3 KNOWLEDGE MANAGEMENT AND KNOWLEDGE TRANSFER IN IJV

Knowledge management issues have become increasingly important for researchers because knowledge is now considered an indispensable resource to attain competitive advantage (Bresman, Birkinshaw and Nobel 1999). Organizational knowledge management is critical to organizational success. Whilst knowledge management issues have been covered extensively in the literature, little is known about the effect of cultural variations on such processes (Bhagat, et al. 2002). The importance of knowledge as an organizational resource is gaining significant momentum, especially as the material resources in the world are at scarce. Organizations now realize that in order to remain competitive, new knowledge need to be created and applied to develop new technology and improved processes. Organizations normally do that through the traditional learning curve theory-namely that organizations learn from their own experiences. However, Barkema and Schijven (2008) suggest that organizations also learn from other firms before they gain significant experiences themselves. External knowledge can be acquired in a variety of ways such as licensing, alliances, acquisitions, and joint ventures. Kogut (1988) argues that joint venture, the theme of this study, can act as an incentive for the transfer of embedded knowledge which cannot be easily packaged through market transactions or licensing.

2.3.1 The Concept of Knowledge

Knowledge has been defined and classified in a variety of ways. Knowledge is defined as “a fluid mixture of experience, values, important information, and expert insight that provide a framework for evaluating the incorporating the new knowledge” (Davenport and Prusak 1988). Furthermore, Hauke (2006) characterizes knowledge as the ability of

an organization to increase productivity and develop new products and markets. Therefore, effective knowledge sharing among employees and partners are crucial in reaching competitive advantage.

Davenport and Prusak (1988) introduced the notion of knowledge velocity (the speed at which knowledge moves through an organization) and knowledge viscosity (the richness of knowledge transferred). Whilst the velocity of knowledge can be accelerated through different planned mechanism such as IT management systems, number of meetings, size of project teams; knowledge viscosity is influenced by the contexts in which the transfer is applied. In this perspective, cultural contexts, the theme of this paper, among other organizational factors greatly influence the above two knowledge transfer's characteristics.

Knowledge undergoes two phases. First, knowledge is created when information, experiences and data are transformed to meet the organizational objectives. Knowledge absorption is the next step. After Knowledge is created from experiences and organizational learning, then it is transformed into the routine processes and written guidelines. Knowledge absorption is determined by the absorptive capacity of the receiving partner. Absorptive capacity is the term used to describe the recipient ability to utilize understand and utilize the new knowledge. Absorptive capacity of a partner depends on the quality of its human resources, knowledge base, resources, and organizational culture (Muthusamy and White 2005).

Although the terms knowledge and information are used interchangeably, they are indeed different (Nooteboom, 2001, and Hauke, 2006). Knowledge is strictly linked to individuals while information may exist independently, for example, as a document. Therefore, knowledge is most critical since it is the outcome of evaluation and transformation of different pieces of information (Hauke 2006). Because knowledge is embedded in the minds of individuals (Bhagat, et al. 2002), its management require soft skills such as interpersonal and socializing competencies; as opposed to information which require applied and hands-on competencies.

2.3.2 Types of Knowledge

Organizational systems involve different dimensions of knowledge. Knowledge dimensions or types have been defined in a variety of ways. According to Bhagat et al. (2002), there are three dimensions of knowledge: (1) tacit versus explicit, (2) simple versus complex, (3) independent versus systemic.

Tacit knowledge is rooted within the individuals; whereas, explicit knowledge refers to the articulated forms of knowledge which can be codified into known substances such as manuals, computer programs, patents, formulas, training tools. Tacit knowledge is manifested in the skills and experiences of individuals. Every individual or organization has its unique tacit knowledge which is very personal in nature (Bhagat, et al. 2002). Kogut and Zander (1992) define tacit knowledge or know-how as “the accumulated practical skill or expertise that allows one to do something smoothly and efficiently”. Tacit is intuitive, unstructured, and non-verbal knowledge which consists of know-how and know-what; explicit knowledge in contrast, deals with more objective, rational, technical knowledge which is easily documented (Hau and Evangelista 2007). Tacit knowledge is valuable only when other organizational members can share (Inkpen and Dinur 1998) because collectively they can utilize the knowledge to improve the effectiveness of the IJV. Tacit knowledge is very slow and subject to many organizational work values and individuals behaviour. Explicit knowledge on the other hand, can be transferred in various ways (Hau and Evangelista 2007).

The simple versus complex nature of knowledge refers to the amount information or data that is required in order to absorb the knowledge fully. Simple knowledge can be absorbed with little efforts or information; whereas complex knowledge demands more intellectual efforts to comprehend.

The independent versus the systemic dimension refer to the relation of knowledge to other organizational context. Independent knowledge can be described without relation to other contexts, whereas systemic or universal knowledge is described in relation to other organizational knowledge (Bhagat, et al. 2002). Bhagat et al. (2002) state that

tacit, complex, and systemic is more difficult to transfer and absorb, whereas explicit, simple, and independent is less difficult.

The authors distinguish between knowledge dimensions and types. They state that there are three different types of knowledge: human knowledge, social knowledge, and structured knowledge. Human knowledge, also termed as know-how and know-what, is the collection of skills and experiences of individuals. Social knowledge exists in the norms governing the social relationships between individuals. Structured knowledge is the organizational processes, rules, and routines, and other technological related knowledge that can be articulated (e.g. patents, licensing agreements, programs...etc.).

Si and Bruton (1999), on the other hand, classify knowledge in terms of its needs to three different types: knowledge of government issues, knowledge of culture, and knowledge of market characteristics. In the case of IJV, these needs are affected by the technical nature of the business and the designated market of the products (Si and Bruton 1999). For example, a high technology IJV requires intensive knowledge of local government issues, culture and market characteristics. Whereas, trading and export IJV require less knowledge government and culture knowledge because the need for government support and local conditions is limited.

For the purpose of this study, the term knowledge will be classified in terms of the tacit versus explicit dimension. This classification is favoured because the tacit-explicit dimension is the most cited terminology in the literature, and it covers most of the knowledge types discussed above. For example, human knowledge and market knowledge can be either explicit or tacit. This study is intended to examine the transfer of all the different types of knowledge which can be characterized as tacit or explicit in different cultural contexts.

2.3.3 The Concept of Knowledge Transfer

Knowledge transfer is an essential aspect of the knowledge management process which leverages the organizations' intellectual capital to achieve organizational objectives (Chen and Mohamed 2006; Bresman, Birkinshaw and Nobel 1999). It is perceived as a

process that receives input from its context to produce knowledge output to achieve organizational objectives (Chen and Mohamed 2006). This process is characterized as a complex process that cannot be completely understood (Bresman, Birkinshaw and Nobel 1999). Knowledge transfer can be considered an internal organizational process. As a result, it is exposed and influenced by organizational structure, behaviour, and culture either positively or negatively. Knowledge transfer is one of the ways for organizational learning (Hauke 2006). Organizations can transfer new knowledge such as technology, procedures, strategies, accounting systems, industrial programs, sales methods, and best practices from external firms.

Bresman, Birkinshaw and Nobel (1999) argue that knowledge transfer is part of the knowledge creation process. The reason cited is that recipients of knowledge would normally modify and further develop the knowledge in such a way to suit their specific needs. However, in the present study, the term knowledge transfer will be used as a discrete aspect of knowledge management. Knowledge transfer is also different from knowledge diffusion or spill-over in that it is an intended transfer between individuals where the sender communicates the knowledge verbally or in a codified form and the receiver absorbs this knowledge completely (Hubig and Jonen 2006).

Knowledge transfer can take place in different settings. It can occur between two distinct organizations through normal market transaction, or it can occur between members of the same organizations. In case of the joint venture, knowledge transfer can occur in either or both of the following directions: from the foreign partner to the local partner; and from the local partner to the foreign partner. Bresman, Birkinshaw and Nobel (1999) assert that reciprocal transfer (i.e. the exchange of knowledge in both directions) is what matters the most. The authors claim that although successful knowledge transfer can be demonstrated in financial gains, the success here also implies the reciprocity of the transfer. The argument is that successful knowledge transfer is prerequisite to financial success. Furthermore, when reciprocal commitment and sharing is established, a partner will increase the level of cooperation and commit new resources to the venture (Muthusamy and White 2005).

In the field of knowledge management, the terms knowledge transfer, sharing, acquisition, and learning all refer to the same concept. The four concepts are used interchangeably in the literature. However, knowledge transfer is more suitable in partnership arrangements which involve more than one partner and the transfer is assumed from one partner to another. It implies two or more different groups. Sharing, on the other hand, is commonly used in single entity organizations. It also implies that the two partners have similar knowledge bases to understand each other. Sharing normally occur between culturally or structurally similar groups. In IJV in particular, both knowledge transfer and sharing can be used because the IJV is considered a partnership as well as a single entity itself.

2.3.4 Knowledge Transfer in Joint Ventures

Knowledge transfer became increasingly critical for IJV as competition among multinational and global organizations intensifies. It has become one of the means to gain competitiveness and project success. New knowledge provides the basis for the design of effective development of organizational structure and competitiveness advantage (Bhagat et al. 2002) and enhanced organizational learning (Muthusamy and White 2005). In fact more firms prefer to enter foreign markets through a joint venture rather than wholly owned subsidiaries because the joint venture enables better knowledge transfer and fewer risks (Barkema and Vermeulen 1997). To understand how knowledge management is processed in multinational organizations, crucial insights into the complexities of knowledge creation, transfer, and integration need to be developed (Bhagat, et al. 2002). The complexities of knowledge transfer in IJV initiate from the complexity of IJV's management structure and hybrid culture.

Following Inkpen and Dinur (1998), two phases on knowledge transfer in IJV are proposed: First, knowledge is transferred from one or both parent organizations to the new JV through the interactions of the partners. During this phase, explicit knowledge can be transferred with less difficulty; whereas tacit knowledge will be influenced by the national culture of each partner. In the second phase, knowledge is transferred from the IJVs to the parent organizations. Inkpen and Dinur (1998) explain that the second

phase is done by the interactions of IJV with customers, competitors, and other firms. According to the authors, IJV knowledge is useful to parent firms in three ways. Parent may use the knowledge for the design and management of future IJVs; the parent may use the knowledge for its strategic objectives without the intention to internalize the knowledge; and the parents firms may internalize the new knowledge to improve its own strategy and operations. In general, knowledge transfer in IJV involves different types of knowledge. It can also be in various forms such as agreed technology transfer (involve explicit knowledge), and unintended transfer of tacit knowledge through interactions between IJV members.

2.3.5 Knowledge Transfer and Cultural Differences

Cultural differences play a major role for international business success. They play a major factor for joint venture performance (Pothukuchi, et al. 2002). These cultural differences matters for all outcomes of the organization including knowledge management. In fact, these differences pose critical problems and challenges especially in the field of multinational organizations (Hofstede 1983). Cultural incompatibilities between joint venture partners are inevitable (Barkema, Bell and Pennings 1996), and can lead to joint venture failure. They may influence positively by facilitating the communication between partners, or they may impact negatively by inhibiting the knowledge sharing between joint venture partners (Hauke 2006). Indeed cultural incompatibilities may cost more than strategic incompatibilities (Pothukuchi, et al. 2002). In order to achieve joint venture success, partners need to reduce the cultural barriers (Barkema, Bell and Pennings 1996), and establish a cultural fit through a common system of organization and management (Child 2003).

The concept of culture is an important organizational psychology which enables us to understand change and resistance to change (Schein 1988). Once established, firms satisfy their organizational objectives in a unique way. However, the concept of culture is very diverse and exists at many dimensions. Most of the earlier studies focused on 'national culture' as the main contributor to organizational effectiveness and change. The importance of studying 'organisational culture', however, was discussed more

recently in the literature to address the issue of culture effects within the organization itself. In fact, Pothukuchi, et al. (2002) showed that the negative impact of culture on joint venture performance originates more from organizational culture rather than national culture. The authors theorize that national culture is operationalized in terms of values, thus have both negative and positive impact, whereas organizational culture is operationalized in terms of practices, thus has negative impact only. The present study recognized that both types of cultures provide complementary insight into the impact of culture on knowledge transfer which is another novel feature of this study. The aim is to examine how the knowledge transfer between joint venture partners is affected by the difference on given cultural dimensions at both the national and organizational level.

During the early development of the IJV, the culture of both parent organizations influence the IJV learning culture and knowledge transfer (Kandemir and Hult 2005). It can be presumed that national culture affects the early phase, while organizational culture affects long term performance. The influence of culture will be detailed further in the sections about national and organizational culture.

It should be noted that the theoretical approach adopted in this paper is concerned with knowledge transfer in joint ventures in the UAE. However, the national culture of UAE is considered very diverse and there exist many cultural differences within the country itself. Nevertheless, this paper will focus on the interactions between the foreign partner and the local partner where the local partner is labelled as an Emirati culture.

2.3.6 Factors Affecting Knowledge Transfer

The effectiveness of knowledge transfer in joint ventures is facilitated by a number of factors. The most obvious objective factor is incompatible culture. Knowledge transfer is further complicated because often the essential knowledge to be transferred is tacit and embedded in social relationships (Muthusamy and White 2005). Because knowledge transfer is a two-way process, the factors affecting knowledge transfer emanate from the cultural contexts of both the sender and the receiver. Following the work of Hau and Evangelista (2007), Bresman, Birkinshaw and Nobel (1999) and

Hauke (2006), the factors affecting knowledge transfer in IJV can be grouped as the following:

- 1- Type of knowledge
- 2- Knowledge holder's assistance and openness.
- 3- Knowledge seeker's learning intent and absorptive capacity
- 4- Cultural context (National and organizational)
- 5- IJV specific characteristics
- 6- Individuals' motivation and behaviour

Type of knowledge:

In contrast to explicit knowledge, tacit knowledge is difficult to acquire and cannot be easily transferred (Bresman, Birkinshaw and Nobel, 1999; Chen and Mohamed 2006; Bhagat et al. 2002; Nooteboom 2001). The tacit form of knowledge (know-how) is best transferred with intensive communication, and after elapse of some time. Whereas, the articulated knowledge which can be available to the other partner with little personal interaction can be transferred immediately after the joint agreement. Transfer of tacit knowledge or know-how is facilitated by institutional means such as communication, visits to mother firms, meetings (technical involvement), and joint training programs. The more frequent the communication between individuals in the partners firms, the greater the knowledge transfer (Kogut and Zander 1992). The intense interactions lead to the creations of social environment which eases the transfer between individuals (Bresman, Birkinshaw and Nobel 1999). Indeed prolong interactions enhance both the quantity and quality of knowledge transfer between partners.

Knowledge holder's assistance and openness:

Knowledge transfer also depends on the support and willingness of the foreign partner to cooperate. If the foreign partner is not willing to expose the knowledge then the all efforts by the local partner to gain such knowledge will be dissipated. The foreign partner's openness in organizational culture promotes employee's active knowledge management behaviours (Kim and Lee 2004). Hau and Evangelista (2007) state that Knowledge protectiveness by the foreign partner whether intentionally or

unintentionally will disrupt the communication between local and foreign partners in IJV. This indicates that having a collectivist culture is not enough. This is evident in the observed behaviour of many Asian employees. Even though they are highly collectivists in nature, their protectiveness of the knowledge inhibits knowledge sharing.

Knowledge seeker's learning intent and absorptive capacity:

The learning intent defined as the extent of desire and will of the local partner to acquire knowledge from its foreign partner is a pre-requisite to knowledge transfer (Hau and Evangelista 2007). It has a positive influence on the transfer of both tacit & explicit knowledge.

The absorptive capacity which is defined as the ability of an organization to acquire, absorb, adapt, and apply new knowledge (Bresman, Birkinshaw and Nobel 1999) is another factor for knowledge transfer. The absorptive capacity describes the capacity the recipient partner to understand new knowledge, assimilate the new knowledge, and apply it to gain commercial benefits (Hauke 2006). This capacity is not absolute but rather varies with learning context (Lane, Salk, & Lyles 2001). When knowledge is transferred from one person to another, knowledge is interpreted by the receiver's existing body of information and experience (Hau and Evangelista 2007). Thus during the transfer, knowledge could be transformed. Absorptive capacity, thus, has a positive influence on knowledge transfer.

Cultural Contexts:

It is clear that the problems associated with knowledge transfer increases with cultural differences (Bresman, Birkinshaw and Nobel 1999). Nonetheless, organizational culture and climate can act either as a barrier or catalyst to knowledge sharing (Chen and Mohamed 2006). Efficient knowledge transfer requires a supportive culture in which the two important elements: transmission and absorption (Hauke 2006) can be exercised without hindrance. In order to facilitate learning culture, trust need to be built up among people. Trust can be developed by committed cooperation and free communication. Trust is important for effective knowledge transfer because it is the willingness and ability to provide information (Buckley, Glaister, and Husan 2002) and viewed as a

necessary element for organizational learning culture (Kandemir and Hult 2005). However, trust need to be engaged by both partners. The non-reciprocal trust and unwillingness to share the information by one partner demoralize the willingness to cooperate by the other partner (Muthusamy and White 2005). A manager will have confidence in partner's abilities only if that partner is willing to provide the other party with access to new knowledge and capabilities that are important to the venture. Cultural context has an important role in knowledge transfer. It influences both the extent of knowledge transferred and the efficiency of transfer (Lane, Salk, & Lyles 2001). Cultural variations resulting from language, values, and norms can impede the flow of information between partners. These variations, especially in the value system can lead to misunderstanding and conflicts. If they are not resolved, conflicts will limit the flow of information, and can affect the performance of IJV (Hau and Evangelista 2007).

A very important aspect of culture is socializing. Social network plays an important role in knowledge sharing among people (Hauke 2006). Individuals will participate willingly in knowledge transfer once they feel a sense of identity or belonging in their group (Bresman, Birkinshaw and Nobel 1999). Social exchange between partners has strong influence on learning and knowledge sharing (Muthusamy and White 2005). Social exchange theory refers to the situation in which the actions of one person provide the rewards or punishments for the actions of another person (Blau 1964, cited by Muthusamy and White 2005). Among other factors are leadership, deficient IT system, strategy, structure. More in depth insight of cultural impact is presented in the subsequent sections of the literature review.

IJV specific Characteristics:

Time elapsed after the joint agreement will slowly facilitate knowledge transfer. The nature of the joint venture arrangement in which two strangers are expected to suddenly cooperate makes it very difficult to have trust in the beginning. Bresman, Birkinshaw and Nobel (1999) demonstrate that the flow of knowledge between the two partners remains limited in the years immediately following the joint venture but gradually increase as the social identity is developed. The authors argue that any stressful

conditions during the time of joint agreement will gradually cease and new social identity will be formed which facilitate greater transfer of knowledge. While knowledge transfer improve overtime, the impact of new knowledge decreases over time because the IJV becomes more competent and the local managers more confident in which the child IJV has become mature (Lane, Salk, & Lyles 2001). Bresman, Birkinshaw and Nobel (1999) infer that different types of knowledge will be transferred at different stages since the joint agreement date ;and the direction of transfer will also be affected by the time elapsed since the joint agreement. In the early stages, knowledge (mostly explicit) is transferred from the foreign to the local partner. Whereas in the later stages (three to six years) knowledge (mostly tacit) transfers in both directions. Moreover, knowledge transfer in large joint venture is greater than in small joint ventures by virtue of the number of individuals involved in the interactions.

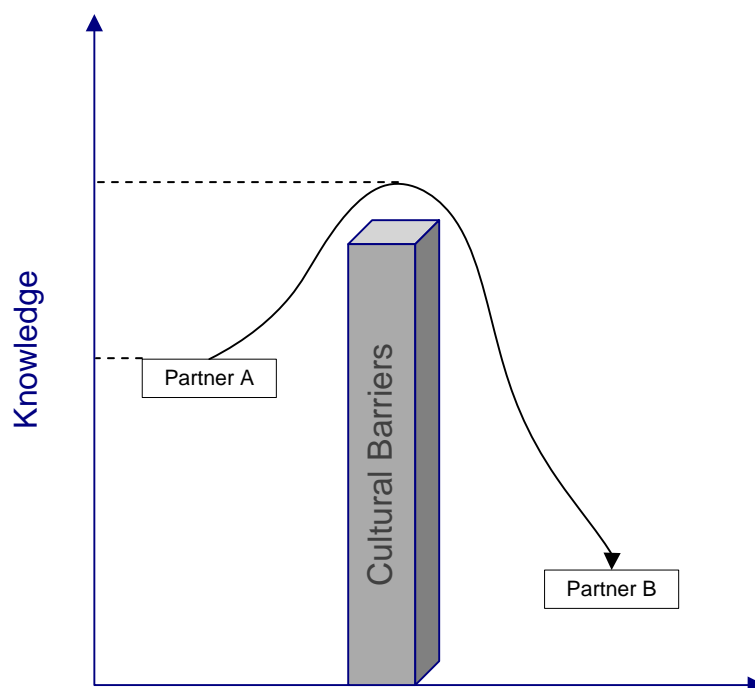
Individuals' Motivation and Behaviour

Even when the above conditions are optimum for knowledge transfer, the individuals' motivation and behaviour will play an important role in moderating such a transfer. Individual motivation level is governed by many needs and is a complex psychological concept. If the individual is not motivated towards learning the new knowledge, knowledge transfer will be limited. These subjective factors originate from people's psychological needs such as fear of changes, high self-esteem, protection of own interests, and lack of trust (Hauke 2006, Bhagat, et al. 2002). The behaviour and cognitive styles of individuals are important elements, however, beyond the scope of this study.

The process of knowledge transfer between joint venture partners can be modelled in analogy to a chemical reaction theory. Chemical reaction is subject to various conditions including the nature of the two substances to combine, its energy levels, and the environment in which they exit. In many cases, chemical reactions is not spontaneous and must be induced by external conditions such as temperature, pressure, catalyst, light, and electric current. In order for the chemical reaction to occur, an extra 'activation energy' need to be spent to overcome the strong internal binding. Similarly,

in order for knowledge transfer to occur between two different partners, extra efforts need to be consumed to overcome the cultural differences between them. Figure 1 below represents this analogy. Spontaneous transfer will only occur between culturally similar partners. Moreover, the activation energy or the extra effort is intensified when the cognitive nature of the partners are dissimilar. Here, if the cultural barriers are small, individuals will still need to overcome their intrinsic characteristics which inhibit knowledge transfer.

Figure 1 the chemical reaction model for knowledge transfer



Just like the chemical reaction which can have natural or accelerated rate, knowledge transfer can also be accelerated with various mechanisms. Among these mechanisms are pre-joint venture planning, meetings and visits, team work, social circles, and commitment by senior management. These mechanisms demand time and resources spent in order to achieve the objectives.

In summary, knowledge transfer is an important element of knowledge management. Knowledge is a holistic concept that includes explicit information as well as tacit experiences, skills and values. Knowledge is considered an indispensable resource for IJVs' learning and competitive advantage. Knowledge transfer can occur from the local partner to the foreign partner or vice versa. Among the most influential factors for knowledge transfer in IJVs are the types of knowledge being transferred, the cultural contexts of the two partners, and the age of the IJV. The relationships of these factors to knowledge transfer in IJVs will be tested in this study.

2.4 NATIONAL CULTURE

The impact of national culture on many organizational outcomes has been discussed thoroughly in the literature. The concept that dominated before the culture concept was 'convergence hypothesis' which assumed that management principles were universal in nature which existed regardless of national environments (Hofstede 1983). This hypothesis was replaced with the culture concept following the fierce competitions and growth variations between nations. National culture has become important to management studies because it is linked to politics, social identity, and psychological thinking (Hofstede 1983).

2.4.1 Definition of National Culture

National culture is defined in a variety of ways. It is defined as the collective 'mental programming' that directs people to deal with new experiences in certain way (Hofstede 1983). It acts as a social and psychological buffer that maintains same characteristics for a long period of time. Schneider (1989) defines culture as a system of shared values that serve to solve problems of external adaptation and internal integration. External adaptation is associated with defining the objectives and the strategy of the organization, and how opportunities and threats in the environments are perceived and responded to. According to Schneider, these perceptions and responses are influenced by attitudes regarding uncertainty avoidance and long-term orientation. Internal

integration holds for the organization's relationship with its employees. This relationship is influenced by power distance, individualism and masculinity (Schneider 1989). Culture refers to patterns of beliefs and values that are manifested in practices, behaviours, and various artefacts shared by members of the nation or organization (Hofstede 2001). Hauke (2006) explains that national culture shows the overall characteristics of a country. Important elements of any national culture include: material life, language, social interactions, religion, education, and value system (Hauke 2006). In addition to linguistic differences, culture differentiates nations on issues and practices such as commitment, problem and conflict solving, use of practices, bureaucracy, and aggressiveness. Other issues are time discipline, authority, respect for proprietary technical knowledge, and even role of bribes (Child 2003).

2.4.2 Effects of Cultural Variations

The importance of national culture is heightened in the case of international joint ventures because the two partners exhibit different cultural backgrounds. Joint ventures are more vulnerable to cultural distance than wholly owned subsidiaries. They are more likely to fail when the cultural barriers are high. At the same time, however, joint venture and acquisition are also the types which stimulate learning which reduces cultural barriers (Barkema, Bell and Pennings 1996). This leads us to the importance of capturing the benefits of joint ventures before being influenced by their initial negative effect. The impact of national culture on joint venture is transmitted via organizational practices such as decision-making procedures, corporate policies, and knowledge sharing (Barkema, Bell and Pennings 1996). This paper explores which cultural differences are most detrimental for knowledge transfer in international joint ventures using Hofstede's five cultural dimensions.

National cultural differences between partners have strong influences on knowledge transfer. Bhagat et al. (2002) have found that when the cultural patterns of the partners in joint venture are the same, knowledge is transferred easily. A difference in one dimension makes knowledge transfer more difficult. When there are two or more differences, knowledge transfer becomes most difficult. Significant differences between

the partners in different cultural dimensions are likely to exert difficulties in knowledge transfer. These difficulties may arise due to different expectations of the two partners. Pothukuchi et al. (2002) argue that foreign joint ventures in Japan, for example, suffer from many difficulties because Japanese partners emphasize relationships and long term performance, whereas U.S. partners emphasize immediate results. Some cultural issues go beyond the borders of nations to combine multiples nations under one umbrella. For example, western cultures use rational style for recruiting, whereas Asian cultures including the UAE use traditional recommendations of friends and family members.

Longevity has been used by many authors as a measure for joint venture success. However, the limitation is that “dissolution of a joint venture may not necessarily imply a failure joint venture, and longevity does not always signal success” (Barkema, Bell and Pennings 1996). Joint venture performance is a better measure. However, the concept of performance covers a vast area in organizational studies. Therefore, it can be stated that the success of joint ventures in terms of cultural adaptation can be demonstrated by high knowledge management performance and spontaneous knowledge transfer.

Hauke (2006) classifies the cultural factors affecting macro level of enterprises as: cultural variability (how fast the components of culture are changing), cultural complexity (how easy to understand culture through given data and facts), cultural hostility (the attitudes of the members of a given culture to foreign culture or its products), cultural homogeneity (the degree of homogeneity of culture in one country), and cultural interdependence (how the changes that take place in other surrounding culture affect the culture in a given country). Whereas the factors affecting micro level of enterprises are: national ideology, perception of foreign values (Hauke 2006). It can be assumed that the degree of these factors depends on the distance of a particular culture from the rest of the world. The value system of a given culture that is isolated from the rest of the world can be very hostile and almost impossible to change; whereas cultures that interact with other cultures are more flexible and easy to deal with. In a similar argument, Barkema, Bell and Pennings (1996) state that Japanese firms adjust more rapidly to foreign American culture than vice versa. He cites the reason as the

asymmetric exposure to the respective cultures through printed and electronic media. Since IJVs increase this exposure, thus, it can be theorized that joint ventures and other partnerships strategies can act as vehicle for cultural understating and cooperation. The challenge remains as how to accelerate this vehicle by effective knowledge transfer.

2.4.3 Hofstede's Five Dimensions for National Culture

Geert Hofstede carried out a research between 1967 and 1978 to empirically describe national culture. He studied 50 counties, and arrived at five different well defined and commonly accepted dimensions for national culture. These dimensions are: 1- Individualism versus Collectivism; 2- Large versus Small Power Distance; 3- Strong versus Weak Uncertainty Avoidance; 4- Masculinity versus Femininity; and 5- Long versus Short Time Orientation. The fifth dimension, long-term orientation received less attention (may be because scores were available for only 23 countries and was challenged by other researchers, (see Barkema and Vermeulen, 1997).

In this context, the quantitative and comparative work of Geert Hofstede on national culture received wide acclaim in the organizational literature (Denison, What is the difference between organizational culture and organizational climate? A native's point of view on a decade of paradigm wars 1996). Hofstede's influential work on cultural dimensions has been prominent in organizational studies (Bhagat, et al. 2002). Previous studies on the influence of national culture often used measures based on Hofstede five dimensions. A key assumption of Hofstede work is that cultural values are stable constructs and exist for a long period of time. This has been verified by Barkema and Vermeulen (1997) who confirmed that Hofstede's cultural dimensions did not disappeared and are stable overtime. Below are the definitions of these dimensions according to Hofstede.

1) Individualism vs. Collectivism

This dimension refers to the relationship between individuals in societies. According to Hofstede (1983), a country will be labelled individualistic if the relationships between individuals are very loose. On the other end of the scale, a country will be labelled collectivist if the relationships between individuals are very tight. In the latter type,

people are born and raised into groups which may be family, tribe, or village. Here, everyone is expected to look after the interests of the group and align his views and opinions to the views and beliefs of that group. In exchange, the group will provide protection and security to individuals who are in trouble. People with collectivist cultural values place greater emphasis on group relationships, and greater needs for affiliation. Probst and Lawler (2006) assert that collectivists see themselves as part of one group and are primarily motivated by the norms and duties imposed by those groups; in contrast, individualists see themselves as independent of groups and are primarily motivated by their own preferences, needs and rights. Individualism versus collectivism dimension is a social pattern that consists either of loosely linked individuals, or closely linked individuals.

2) Power Distance

This dimension is about how societies deal with inequalities among people (for example, physical and intellectual capabilities). Large power distance cultures permit these inequalities to grow over time into inequalities in power and wealth. In terms of organizational aspect, high power distance is translated into centralization and autocratic leadership. The unequal distribution of power in organizations normally leads to hierarchy and thus makes internal interactions more difficult. On the other hand, small distance power cultures are more tolerant for these inequalities and therefore expected to promote more participation and information exchange. Hofstede (1983) noted that collectivist countries always show large power distance; but individualist countries do not always show small power distances.

3) Uncertainty Avoidance

This dimension deals with the fact that the future always holds uncertainty. People in weak uncertainty avoidance cultures accept this uncertainty and are more willing to take risks and share knowledge because they feel secure. People in strong uncertainty avoidance; however, feel less secure and highly anxious. They tend to become more aggressive and embark on less risky activities. According to Hofstede (1983), the factors that affect this dimension are technology, law, and religion. These factors create a sense of security and make uncertainty more tolerable. Hofstede place the Arab

countries, including the UAE, in the high uncertainty avoidance. Although religion, which universally holds elusive future and accepts uncertainty, plays an important moderating role that renders low uncertainty avoidance, the rating by Hofstede can be explained that technology and law are not fully mature to provide security needs.

4) Masculinity vs. Femininity

This dimension refers to the divisions of roles between genders in the society. In masculine cultures, men always take dominant roles and women always take service-oriented and caring roles. In feminine cultures, dominant roles are associated with feminine roles. Masculine cultures show assertive role; whereas, feminine cultures has show modest and caring role. In feminist culture, People are concerned about the relationships more than the money (Hofstede 1983). Hauke (2006) asserts that the people in this type of culture value reconciliation more than aggressiveness and self-achievement. The author suggests that feminine culture shows positive impact on knowledge transfer. Nonetheless, it has been reported that when masculine and feminine partners join together they positively contribute to the joint venture (Hofstede 1985). The two roles are considered complementing each other.

5) Time Orientation

People in long-term oriented cultures are dynamic in their thinking. They also value status and job security. Whereas people in little long-term oriented cultures expect quick results and are static. Differences in the long-term orientation are likely to impact objectives and strategy formulation, and in the perception of opportunities and threats (Barkema and Vermeulen 1997). Time orientation is expressed in terms of vision and mission of the organization (Tsui 2006). A common vision and shared values among employees bring forth strong employee commitment to the employer. This strong commitment is translated into increased willingness to share the knowledge. Yet, the relationship between time orientation and knowledge transfer was not researched extensively in the literature.

2.4.4 Cultural Dimensions of the UAE by Hofstede:

The work of Hofstede (1983) characterizes the Arab countries including UAE as highly collectivist, large power distance, strong uncertainty avoidance, and moderately masculine. Table 1 lists Hofstede scores for the UAE. According to Hauke (2006), the most favourable dimensions for organizations are high collectivism, small power distance, femininity, low uncertainty avoidance, and future orientation.

Table 1 Hofstede Scores for the UAE National Culture

National Culture Dimensions	Hofstede's Score for UAE
Individualism	38 (low)
Power Distance	80 (high)
Uncertainty Avoidance	68 (high)
Masculinity	52
Time Orientation	-

For the needs of this paper, the research will be limited to three dimensions only. These are individualism versus collectivism, Large versus small power distance, and strong versus weak uncertainty avoidance. The reason for not incorporating masculinity-femininity dimension is that the UAE has a mid-point score. UAE score of 52 is slightly above the 50.2 average. Therefore, its effects cannot be studied correctly. The reason for not incorporating time orientation dimension is that the UAE does not have a score. Since this paper is not meant to measure this dimension, its influence on knowledge transfer is avoided.

2.4.5 National Culture Dimensions and Knowledge Transfer: Conceptual Framework and Hypotheses

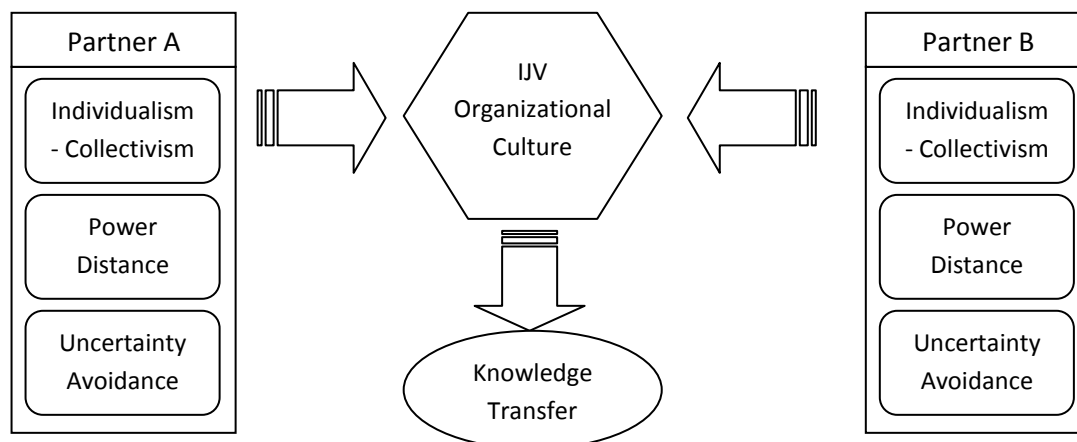
National culture dimensions show mixed effects on organizational outcomes (Pothukuchi, et al. 2002). Some differences in cultural dimensions are more disruptive than others. Hofstede (1983) argues that most relevant dimensions for leadership issues are individualism/collectivism and power distance; the dimensions for organizations

issues are power distance and uncertainty avoidance; and the dimensions for motivations are individualism/collectivism, uncertainty avoidance, and masculinity/femininity. The research being conducted will provide a new insight on the dimensions that mostly relevant for knowledge transfer.

Individualism-collectivism, power distance, and uncertainty avoidance cause problems to knowledge transfer and have negative impact on joint venture performance. Individualism-collectivism dimension is the major distinguishing dimension for knowledge management (Bhagat, et al. 2002). Individualism-collectivism and power distance are reflected in attitudes towards management of personnel. Individualism and power distance directly bear on issues of internal integration and influence relationships with employees (Hofstede 1991; Schneider 1989). Schneider (1989) suggests that differences along these two dimensions can typically be avoided. However, uncertainty avoidance translates into how joint venture partners perceive and adapt to opportunities and threats in their environment (Barkema and Vermeulen 1997). Not all dimensions of culture need to be favoured for knowledge transfer to be effective. In his study of knowledge transfer in three different cultures (Britain, Hungary, and Poland), Hauke (2006) has found that although none of the three cultures' dimensions fully supported knowledge transfer, they all exhibit a great deal of knowledge transfer.

Figure 2 below depicts the model for the impact of national culture on the process of knowledge transfer between IJV partners.

Figure 2 Framework for impact of national culture on knowledge transfer in IJV



1- Impact of Individualism versus Collectivism Dimension on Knowledge Transfer:

Collectivist groups are more willing to share their knowledge with other members (Hauke 2006). However, they communicate only with members of the same group. Individualist, on the other hand, cannot transfer the knowledge but are more willing to communicate with people from outside the group in a rational way (Bhagat, et al. 2002) if they are encouraged and told to do so. Schein (1988) asserts that in individualistic organizations the tendency to create ideas is ideal but it is harder to share the knowledge as the acceptance and implementation of these ideas is limited. On the other hand, in the collectivism organizations, it is harder to get new ideas, but if they are generated the collective group will be much more effective to share and implement them because the members are more willing to hold back their ideas and support the new ones in favour of the whole group. -- By definition, stronger relationships between individuals imply better knowledge sharing due to increased communication and interactions. Thus, it can be assumed that collectivist cultures are more capable of sharing knowledge than individualist cultures. However this knowledge sharing remains contained in the group only. In contrast, whilst individualists lack the social skills, they do not have a problem

communicating with outsiders. Furthermore, Hofstede (1983) draws a connection between degree of individualism in a country and to its wealth; Wealthy countries are more individualist and poor countries more collectivist. This paper will explore knowledge sharing between individuals from two different backgrounds.

When people from the individualistic culture have to work with people from the collectivism culture, their dissimilar views and expectations cause a conflict and thus affect knowledge transfer. According to Bhagat et al. (2002), the two different groups select and process different types of knowledge according to their cultural considerations. For example, collectivism is more concerned with knowledge concerning organizational history, rules, and connections, whereas individualism is more concerned with codified, articulated, and rational knowledge. Therefore, it can be assumed that individualist culture more effective in transferring explicit knowledge, whereas, collectivist culture is more effective in transferring both explicit and tacit knowledge because they foster group learning. In IJV, the collectivist partner will emphasize more detailed information and analysis but individualist partner will focus on licensing and agreements.

Bhagat et al. (2002) elaborated on the individualism-collectivism dimension by introducing the vertical versus horizontal dimension. According to the authors, individualism and collectivism can be further characterized as vertical or horizontal. Vertical people like to stand out, and be different. Horizontal people are concerned with the oneness; they see people having more or less the same status and do not want to be different. Consequently, horizontal collectivist emphasizes oneness with all members of the group. Vertical collectivist is group oriented but emphasizes differentiation from other members of the group. At the same time, vertical individualist seek uniqueness and want to be the very best one can be. Horizontal individualist, however, see themselves as being independent from the group but equal in status. The authors found that knowledge transfer is difficult in individualism culture; but most difficult in vertical individualism. On the other hand, they found knowledge transfer is effective in collectivism culture; but most effective in horizontal collectivism. From the above implications, the following hypothesis can be formulated:

H1: “Differences in collectivism/individualism dimension between the UAE, characterized as being collectivist culture, and a foreign partner have a negative impact on knowledge transfer”.

2- Impact of Large versus Small Power Distance on Knowledge Transfer:

Small power distance by shrinking the gap between superior and subordinates has a positive impact on knowledge transfer. The lack of formal distance makes the flow of information more spontaneous (Lavoro 2006). Lower level people in small power distance are encouraged to express their ideas and participate in the setting of objectives. Moreover, the small power distance between managers encourages knowledge sharing at the middle management level. Large power distance culture, on the other hand, is characterized as being highly hierarchal and rigid in structure. These cultures always exhibit centralization nature. Knowledge flow in this type of culture is slowed down due to structural barriers. Increased centralization can lead to less communication with middle and lower levels of management and discourage knowledge transfer. Centralization creates a barrier between IJV’s members and restricts learning (Kandemir and Hult 2005). In large power distance, when lower level people have to communicate their views and knowledge to the top management, knowledge is transferred through the many organizational levels before it reaches the top management. Likewise, when the senior management needs to convey their knowledge to lower grade people, knowledge has to cascade through all middle managers before it reaches the end recipients. The slow and flawed transfer of knowledge is associated with both explicit and tacit knowledge. The issue of power distance differences between IJV partners will have the most impact during the early phase of the IJV because a common organizational structure and power positions will be finalized during this phase. From the above, the following hypothesis can be stated:

H2: “Differences in power distance dimension between the UAE, characterized as being a large power distance culture, and a foreign partner have a negative impact on knowledge transfer”

3- Impact of High versus Low Uncertainty Avoidance on Knowledge Transfer:

High uncertainty avoidance cultures tend to respond to environment's uncertainty by building up a system of high formalization and hierarchy (Hofstede 2001); whereas people in low uncertainty avoidance cultures feel uncomfortable with rigid rules and hierarchy. They feel more attracted to flexible rules. Differences in uncertainty avoidance dimension leads to differences in how the two partners perceive and respond to events in the environment, and will likely produce conflict (Barkema and Vermeulen 1997). Low uncertainty avoidance favours knowledge sharing because of the relaxed work attitudes. People in low uncertainty avoidance cultures are more willing to take risks and therefore share their knowledge because they are more concerned with the results and success of their projects (Hauke 2006). However, people in high uncertainty avoidance tend to become more defensive and embark on less risky activities. They have less trust in people and thus become protective of their knowledge. Knowledge sharing can be viewed in this type of culture as a threatening tool which could lead to loss of job security. The defensive nature of high uncertainty avoidance individual results in troubled communication and knowledge transfer. This lead to the following hypothesis:

H3: “Differences in uncertainty avoidance dimension between the UAE, characterized as being strong uncertainty avoidance culture, and a foreign partner have a negative impact on knowledge transfer”

4- Effect of IJV Age on the Impact of National and Organizational Culture on Knowledge transfer:

As discussed earlier (see section 2.3.6), IJV age plays an important factor in moderating the effect of national and organizational cultures. National culture is presumed to affect knowledge transfer during the early phase of the IJV because the identity of the IJV is not developed yet. Therefore, the two partners will perform their activities according to their national culture backgrounds. The lack of strong social networks and national culture variations will make knowledge transfer slow and mostly explicit. On the other

hand, organizational culture is presumed to affect knowledge transfer during the maturing phase of the IJV. The reason is that IJV organizational culture will be developed only after elapse of some time. Both explicit and tacit knowledge will be influenced by organizational culture. Thus, the following hypothesis is formulated:

H4: “National culture affects knowledge transfer the most during the early phases of IJV; whereas organizational culture affects knowledge transfer the most during the maturing phase of IJV”.

In summary, national culture is the identity of a given group that characterizes their behaviour in terms of its values and norms. National culture affects organizational outcomes differently. The most influential dimensions for knowledge transfer are individualism versus collectivism, power difference, and uncertainty avoidance. Knowledge transfer in IJV between the UAE and a foreign partner is assumed to be difficult when the foreign partner is not compatible with the UAE and effective when the foreign partner is culturally compatible. Moreover, national culture is believed to impact knowledge transfer during the early phases of the IJV; whereas, organizational culture is believed to impact during the maturing phase.

2.5 ORGANIZATIONAL CULTURE

2.5.1 The Concept of Organizational Culture

The notion of organizational culture is a recent topic in the literature (Zazzali 2007; Hofstede 1992; Schein 1988; Baker 2002). The concept of organizational culture first appeared onto the organizational studies scene in the early 1980s (Denison, What is the difference between organizational culture and organizational climate? A native's point of view on a decade of paradigm wars 1996). The concept was applied to organizations as more organizational researchers needed the concept to explain different patterns of behaviour and levels of stability in organizations. But the real thrust to this concept

according to Schein (1988) was the attempt to explain why US companies did not perform as well as their Japanese counterparts especially when it was noted that national culture was not sufficient explanation. In his research on American and Japanese firms, Yoshimori (2005) asserts that because culture plays an important role in the Japanese corporate governance where employees are considered key stakeholders, organizational outcomes outperform their American counterparts where shareholders are the key stakeholders. Does the organizational culture have a negative or positive impact on joint ventures in the UAE context? Early research on culture focused on measuring the dimensions of the culture and its types. Then researchers began addressing the impact of culture on organizational outcomes such as satisfaction, commitment, effectiveness, performance, and knowledge management. However, few empirical studies have linked organizational culture with knowledge transfer. Fast changing business environments requires organizations to be able to adapt quickly and efficiently. Change is not just about adopting new structure or business strategy, but it requires changes in underlying assumptions and values (Nummelin 2006), hence organizational culture. Sultton (2001, cited by Chen and Mohamed 2006) states that the capacity of an organizational culture to enable changes to internal structures and systems is recognized as critical success factors for effective capturing of knowledge resources. Unfortunately, many joint ventures fail to raise the issue of cultural compatibility before the joint agreement (Schein 1988). Indeed, Organizational culture impact on joint venture has not been discussed thoroughly in the literature (Pothukuchi, et al. 2002). This adds another novelty for this paper which attempts to explore the magnitude of effect of both national and organizational cultural dimensions to assess the difference of potential impact from both cultural levels.

Organizational culture can exist in many levels. Schein (1988) postulates three levels (see figure 2). These are the *artefacts*, which deals with what one feels, observes or notes through the senses. The next level is *values*, which emerge as explanations for the artefacts. The values are usually the goals, philosophies, norms, standards, and moral principles. The core level is the *underlying assumptions*, which are the unconscious beliefs that lie beneath the values and remain tacit. To illustrate these levels, the author

presents the following example. Visible organizational processes such as informality, open office policies, confrontation, conflict, and fighting in meetings, lack of obvious status symbols such as designated parking spaces or executive dining rooms, people staying late and emotional involvement are all considered artefacts. When insiders asked about these artefacts, they present their organizational value system such as hard work, innovation, and rapid solution are very important to grow in a high technology field; employees are expected to contribute their maximum capacity; and when one fails he or she will be assigned to another task rather than get fired or punished. Further investigation in this organization reveals the tacit underlying assumptions that individuals are the source of all innovation and productivity; good ideas are generated and validated when employees are free to debate them; and that employees are one big family that care for each other even if someone makes a mistake. The challenge for organizations is the difficulty of unlearning the assumptions when changes in the environment necessitate such a process (Schein 1988).

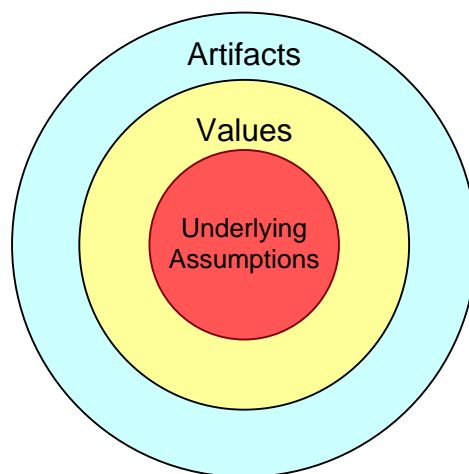


Figure 3 Levels of Organizational Culture as proposed by Schein (1988)

2.5.2 The Creation and Evolution of Organizational Culture

The creation of culture remains unclear and very complex. However, Schein (1988) postulates that new cultural assumptions can be formed in two ways: around critical incidents and by identification with leaders. In the first mechanism, new incidents or experiences are usually followed by actions or decisions that form the initial norms and values. If these decisions, developed either collectively or coerced by senior management, prove to be effective then they become cultural beliefs and assumptions. In the second mechanism, leaders or founders institute their own beliefs and values and persuade or coerce others to follow. The group then tests the founder's beliefs and converts it into a shared assumption (Schein 1988).

The influences of the changes in the organizational environments and the joining of new members render the culture under constant pressure. This pressure demands cultural change (evolution) to remain competitive and be able to survive. According to Schein (1988), culture evolution can occur naturally, but it can also be guided evolution where the organization maintains the critical cultural elements, unlearn the dysfunctional cultural elements, and learns new cultural elements that are needed for adaptation to changes in the environments. Sometimes, however, managers feel they do not have the time to let evolution occur naturally. Here managed culture change is pursued. In the perspective of joint venture, the challenge of cultural change is inevitable. Joint ventures are subject to new cultures as each partner brings in new beliefs and assumptions which might impact the other partner's beliefs and assumptions. Knowledge sharing and transfer can play an important role in facilitating this cultural change where the partners can mutually agree to share the critical cultural elements that are important for competitiveness and innovation, and abandon the dysfunctional elements that are harmful for the venture. However, the hypothesis about the relationship between culture and knowledge sharing is more complex and can be reversible. One would expect that knowledge sharing can facilitate cultural change. But what is also possible is the negative impact of organizational culture on knowledge sharing. In other words, managed culture change can be accelerated by effective knowledge sharing when

cultural compatibility is ascertained first. One of the objectives of this paper is to explore the impact of organizational cultural incompatibility on knowledge sharing.

2.5.3 Definition of Organizational Culture

Even though organizational culture is nested in national culture, national and organizational cultures are considered separate constructs (Hofstede 1992; Pothukuchi, et al. 2002). There are many definitions for corporate or organizational culture in the literature. However, Schein's definition is the most cited and popular definition. Schein (1988) defines organizational culture as

“a pattern of basic assumptions [which are] invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”.

By definition, an organization can have a culture if it has been a stable group for some period of time. Hofstede (1992) defines organizational culture as “the collective programming of the mind which distinguishes the members of one organization from another”. He characterizes culture as holistic, historically determined, socially constructed, soft, and difficult to change. Moreover, organizational culture involves beliefs and behaviour, and exists at many levels (Tsui 2006). Culture is regarded as a crucial factor in the long-term effectiveness of organizations (Giritli 2006) and a channel to employee attitudes (Tsui 2006). Therefore, organizations now seek to adopt most appropriate culture type so they can remain vigorous and avoid disturbances to their change strategies. However, for joint venture strategies to succeed, they must be in alignment with the cultural values of their employees (Probst and Lawler 2006).

Few researchers, however, disputed this definition of culture. For example, Meek (1988) argues that the concept of culture was borrowed from anthropology and became stereotyped or distorted in the transfer. The author conceives that people only select

aspects of the concept that suit their interests and thinking at a time when they are under strain. In this case, their interests are to introduce to managements their ability to change the culture and enhance organizational effectiveness. According to Meek, organizational culture is not an independent variable, nor can it be created, discovered or destroyed by the desire of management. Despite this unenthusiastic view, the concept of culture continues to provide meaningful meanings when it is operationalized in organizations.

2.5.4 Difference between Organizational Culture and Climate

Before the discussion of this study, it is imperative to distinguish between organizational culture and organizational climate. Climate refers to ‘what happens’ in the parent organization, whereas culture refers to ‘why things happen in the IJV (Kandemir and Hult 2005). Organizational climate is the feel of the organization, and a short-term phenomenon created by the current leadership (Clark 1998); it depends to a large extent on the quality, stance of management and the values it subscribes; whereas culture is deeply rooted in the organization (Collier and Esteban 2007). Organizational climate is the perception of how an organization deals with its members and environment (Chen and Mohamed 2006). Denison (1996) reviewed the literatures covering organizational culture and climate studies in a decade long and found that there is plethora of similarities between the two concepts; and the boundary between the two is not clear. He concludes that the usually cited distinctions should be viewed as differences in interpretation rather than differences in phenomenon or substance. Despite this view, culture refers to the deep structure of organizations which is rooted in the values, beliefs, and assumptions held by its organizational members. Organizational culture is therefore more critical for IJV than organizational climate.

2.5.5 Organizational Culture Types

Hofstede et al. (1990) introduced six cultural types: results versus process oriented, job versus employee oriented, professional versus parochial, closed versus open system, tight versus loose control, and pragmatic versus normative. Another classification is

developed by Cameron & Freeman (1991, cited by Tsui 2006); they showed that culture can be clan, market, adhocracy, and hierarchical. These types reflect the management approach towards organizational practices and functions. For example, clan culture focuses on internal issues, whereas, market culture focuses on customer satisfaction. Culture can also be seen as strong or weak cultures (Baker 2002). Understanding culture types is important because they have systematic relationship to performance and middle managers attitudes (Tsui 2006) and hence the potential to improve knowledge sharing facilitators.

2.5.6 Dimensions of Organizational Culture

Organizational culture dimensions have been the theme of many organizational studies. Tsui (2006) reviewed the literature and showed that organizational culture have many dimensions including: aggressiveness, team orientation, achievement orientation, employee development, harmony, employee contribution, leadership, pragmatic, fair rewards, customer orientation, outcome orientation, innovation, and future orientation. The author assumes that each dimension of culture influences outcomes independently or additively. Some of these dimensions are more common in the private sector (e.g. innovation, customer orientation, and future orientation). In the public sector, state-owned organizations operate according to the 'central plan' provided by the government which allocate resources, technology, and market sales and writes off debts, thus they are less concerned with innovation, customers and outcomes (Tsui 2006). When public and private firms agree to form a joint venture, these cultural differences translate into sources of conflict. For example, government organizations sometimes view joint agreement as a threat to their initiatives and strategic aims because their control and power is disrupted. However, the trend to make government organizations more independent in the decision-making process is expected to drive governmental organizations towards more market, customer and innovation orientation. Schein (1988) identified six organizational dimensions which systematically describe the values and underlying assumptions of organizations. The six dimensions are the organization's relationship to its environment, the nature of human activity, the nature of reality and truth, the nature of time, the nature of human nature, the nature of human

relationships, and finally the homogeneity versus diversity. Kim and Lee (2004) proposed that the organizational culture dimensions are vision and mission, trust, and social network. Hofstede et al. (1990) proposed a different approach on the dimensions for organizational culture. The authors proposed the following dimensions: (1) Process versus result orientation; (2) Employee versus job orientation; (3) Parochial versus professional; (4) Open system versus closed system; (5) Loose versus tight control; and (6) Normative versus pragmatic.

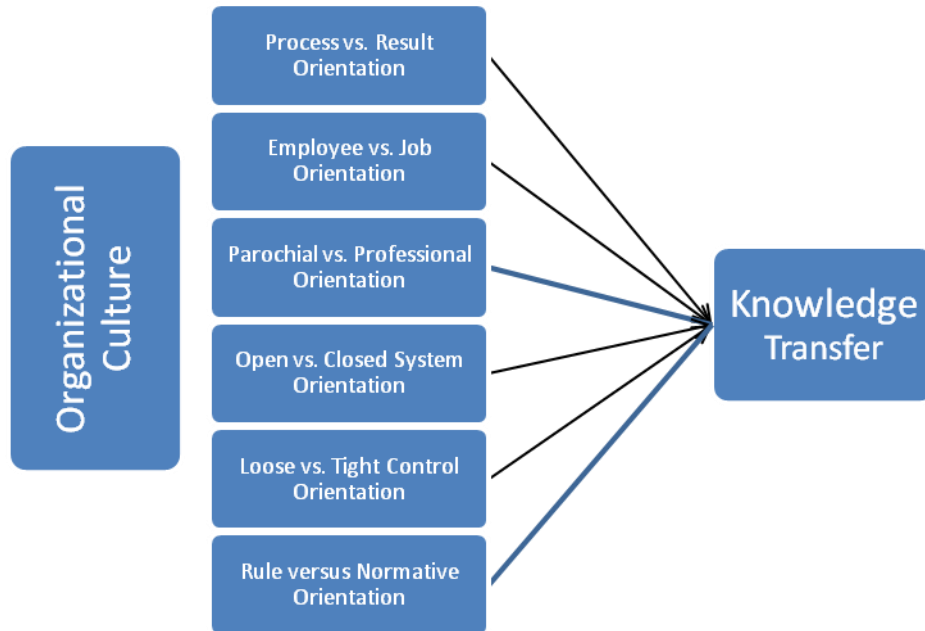
2.5.7 Organizational Culture Dimensions and Knowledge Transfer: Theoretical Framework and Hypotheses

For the purpose of this study, the dimensions proposed by Hofstede will be used in the present research. The reasons for selecting Hofstede's dimensions are: First, to have uniformity when comparing the effects of organizational and national culture as they are developed by the same author. Second, because many dimensions (e.g. aggressiveness, team orientation, achievement, outcome orientation, future orientation) offered by other authors are derivatives or similar to Hofstede's national culture dimensions.

The premise is that certain cultural dimensions of organizational culture may modify the IJV learning culture in IJV (Kandemir and Hult 2005). Therefore, it is important to understand how the organizational culture affects the process of knowledge transfer in IJV. The tendency of knowledge transfer in these dimensions of organizational culture depends on the appreciation of employees as vital human capital. Employees are the source of organizational knowledge. Organizations that appreciate the needs of knowledge exchange view employees as partners; where these views are embedded in the organizational culture (Plakoyiannaki, et al. 2007). Therefore, organizational dimensions which deal with people issues and the expectations of the IJV managers are the most influential factors for knowledge transfer.

The theoretical model in this study examines the effects of organizational culture of the IJV itself and not that of the parents'. Figure 3 represents the framework for hypotheses formulation. The correlation of these dimensions to knowledge transfer will be tested in this paper.

Figure 4: Framework for relationship between organizational culture and knowledge transfer



1- Process versus Result Orientation

This dimension represents two ways of approaching tasks. Process orientation is concerned with the means to achieve tasks by the rigid allocation of resources and divisions. Nonetheless, result orientation focuses on the final outcomes. The result approach allows variations while performing the tasks because what matters is the final product or service (Pothukuchi, et al. 2002). Therefore, employees who adopt the result orientation are free to seek new and alternative knowledge to achieve their objectives. This freedom enables the acquisition and transfer of new knowledge. They will seek the knowledge beyond their group boundaries. People in this culture are more exposed to innovation capacity. Process oriented people, on the other hand, perform their tasks according to the plan set for them by management; thus, they will exert less effort to gain new knowledge. Furthermore, they will be bounded in their own group. The process versus result orientation also differentiates the management style of the IJV

(Pothukuchi, et al. 2002). For example, the IJV management will design the jobs for their employees according to their views on the importance of process or result orientation. According to Hofstede (1992), result oriented is favoured, and process oriented culture is often labelled as 'bad' culture.

2- The Employee versus Job Orientation

This dimension deals with the issue of what comes first; the job or the employee. This dimension affects the superior-subordinate relationship (Pothukuchi, et al. 2002). Employee oriented culture take care of their employees' welfare, however, job oriented culture exert strong pressure on employees to complete the job (Hofstede 1992). This dimension can lead to conflict and communication problems leading to a slow and formal transfer of knowledge. Transfer of tacit knowledge is most affected here because the job orientations hinder the social interactions which are most important for such a transfer.

3- The Parochial versus Professional

This dimension considers how employees relate themselves to internal and external references (Hofstede, et al. 1990). Parochial (clan) employees derive their identity from the organization, whereas professional (market) employees derive their identity from the type of job. Employees having different references have different expression of expectations. As a result, a conflict might arise due to different behaviours (Pothukuchi, et al. 2002).

4- Open versus Closed System

This dimension classifies organizations based on their communication climate (Hofstede 1992). Differences in this dimension render different climates and channels for knowledge transfer. Open system oriented culture encourages information sharing with their partners. Because openness increases cooperation and communication between parent organizations, it reduces cultural boundaries (Kandemir and Hult 2005). The knowledge in closed system culture dimension is contained in defined boundaries and thus is not shared by employees outside these boundaries. This containment of

knowledge inside these boundaries limits organizational change and adaptation to external environments (Pothukuchi, et al. 2002). In view of the fact that organizations' environments today are rapidly changing, joint ventures that are unable to capture external knowledge and transform their processes face the threat of failure and dissolution. In order to be successful, joint ventures should promote knowledge transfer to maximize the gains from the partnership. In the open system units

5- Loose versus Tight Control

This dimension differentiates organizations based on their internal structuring (Hofstede 1992) and management control practices. Tight management control may cause interaction problems between joint venture partners. In tightly controlled culture, people will be suppressed from expressing their opinions. Thus, routine meetings are often described as short, limited, and unfruitful; whereas in loosely controlled culture, people are motivated to share their opinions and ideas. Meetings in this type of culture are very rich and productive with plethora of knowledge communicated (Pothukuchi, et al. 2002). Therefore, knowledge transfer is expected to be strong in loose control cultures and weak in tight control culture.

6- The normative versus pragmatic

This dimension classifies organizations into normative (rule) and pragmatic (customer) oriented cultures (Hofstede, et al. 1990). Organizations which prioritize customer satisfaction in their strategy cascade this priority into their routine tasks and practices. These organizations are more flexible with structure and norms. On the other hand, normative organizations stick to their rules and policies and expect all members to abide by this strategy. Customer orientation culture is market driven (Hofstede 1992); therefore, people in this type of culture seek external knowledge more than internal knowledge. Thus, better knowledge transfer is perceived.

From the above discussion of organizational culture dimensions, the following **null** hypotheses are presented:

H5: “There is no relationship between knowledge transfer in IJV and process versus result orientation of IJV organizational culture”

H6: “There is no relationship between knowledge transfer and employee versus job orientation of IJV organizational culture”

H7: “There is no relationship between knowledge transfer and parochial versus professional orientation of IJV organizational culture”

H8: “There is no relationship between knowledge transfer and open versus closed system orientation of IJV organizational culture”

H9: “There is no relationship between knowledge transfer and loose versus tight control orientation of IJV organizational culture”

H10: “There is no relationship between knowledge transfer and normative versus pragmatic orientation of IJV organizational culture”

In summary, the capacity of organizational culture to enable internal integration and external adaptation is recognized as critical success factors for effective knowledge transfer in IJV. Organizational culture impact the management practices and personnel behaviour towards many organizational issues such as task achievement, outcome orientation, communication, structuring, and customer satisfaction. IJV organizational culture is the result of the integration of the two parents’ cultures. IJV organizational culture studies are important because its creation and evolution are associated with identification with its parents’ organizations. The cultural differences may create ambiguities in the relationship between IJV partners which may lead to conflict and even dissolution of the venture (Barkema and Vermeulen 1997). Partners with dissimilar organizational cultures consume more time and energy to integrate their practices than organizations with similar organizational cultures (Pothukuchi, et al. 2002). Knowledge transfer can play an important role in bringing the two partners closer to each other to achieve strong learning culture. The effects of organizational culture dimensions on knowledge transfer will be tested in this study.

3.0 CHAPTER THREE: THE STUDY METHODOLOGY

3.1 SAMPLE

This study targeted joint ventures operating in the UAE formed between local business firms with international business partners in the last three decades. The identification of the target joint ventures was made possible using general corporate databases from the Dubai and Abu Dhabi chambers of commerce, industry databases from the internet, and other sources such as recommendations from academic staff and friends. Out of 22 IJVs contacted, six IJVs participated in the survey (response rate = 27%). However, only four IJVs were considered because respondents from the other two IJVs were less than seven. Despite the confidentiality assurance presented to the participants that the collected data will be used for academic purposes, the low response rate can be attributed to the sensitivity of the organizational concept included in the survey. The four joint ventures studied are from the following sectors: Oil and Gas (IJV1, 2, and 3); and Manufacturing and Industrial (IJV4). A total of 74 responses make up the final sample. 34 respondents are from IJV1, 14 responded are from IJV2, 12 respondents are from IJV3, and 14 respondents are from IJV4. Table 2 summarizes characteristics of participating IJVs.

Table 2: Characteristics of the Sample IJVs

Characteristic	IJV 1	IJV 2	IJV 3	IJV 4
IJV Size	310 employees	1200 employees	400 employees	350 employees
IJV Age	25 years	22 years	25 years	2 years
IJV Business	Oil & Gas	Oil & Gas	Oil & Gas	Manufacturing & Industrial
Foreign Partner Country	Canada	Japan	USA	Arab Country

No. of				
Respondents	34	14	12	14
<i>(Total N=74)</i>				

3.2 DATA COLLECTION

The study utilized the questionnaire method to collect the data from the surveyed joint ventures. The reason for choosing this method is the quantitative nature of this study. The data collected from the questionnaire are used statistically to arrive at the implications of research questions. The data collected include information about the size, age, industry, and equity sharing of the joint ventures. The IJV age (time spent after the formation of the joint venture) is critical in this study because of two reasons. First is that the interactions in the initial phase is limited and bound by formation formalities. Second is the absence of fully developed organizational culture in the initial phase.

The data collection focuses on the responses from top and middle managers because their views represent the core values and beliefs of the ventures and because they hold the most of the organizational embedded knowledge. The aim is to utilize the managers' interactions with their employees to capture the cultural values aspect and amount of knowledge transfer they encourage.

3.3 SURVEY PROCESS

The following steps are taken to conduct the survey: (1) phone calls will be made before mailing the surveys to inform the respondents of the research objectives and get their initial approval to participate; (2) E-mail the questionnaires to the respondents with detailed letter requesting information and the invitation to participate letter (copy of the invitation letter is (copies of the questionnaire and the invitation letter are attached in appendix 1 and 2 respectively) ; and (3) send reminders to all non-respondents and follow-up calls.

3.4 QUESTIONNAIRE

The questionnaire consisted of four sections. Section 1 is used to collect IJV information (size, age, nature of business, and equity sharing). Section 2 is used to collect general demographic data about the respondents to describe the sample and rule out any bias. In section 3, 18 statements were presented about organizational culture and the respondents were asked to express their agreement or disagreement with the statements. Each of the six dimensions of organizational culture was represented by three statements. In section 4, twenty statements were presented about knowledge transfer and the respondents were asked to express their agreement or disagreement with the statements.

3.5 STUDY VARIABLES AND MEASURES

This study focused on four main variables. These are national culture, organizational culture, knowledge transfer, and IJV age. Other independent variables are the size and equity sharing in IJVs. The study adapted several multi-item factors developed in previous research in the field of national and organizational culture, and knowledge transfer. Factor analysis, correlation analysis, and other statistical methods are used to test and evaluate the hypothesis and measured variables. Details of the variables are discussed below.

(1) National Culture (Independent Variable)

National culture distance between the UAE partner and the foreign partner is computed from Hofstede (1983) scores (detailed scores are also available on <http://www.geert-hofstede.com>). The difference in national culture dimension was measured by calculating the absolute value of the difference between the UAE dimension score and the foreign partner dimension score. The focus is to study the effect of only three dimensions of national culture (individualism-versus collectivism, power distance, and uncertainty avoidance) on the process of knowledge transfer in IJV. The dimensions are

identified from Hofstede work as discussed in the literature review. The independent variable for hypothesis 1 is individualism versus collectivism. The independent variable for hypothesis 2 is power distance. While the independent variable for hypothesis 3 is uncertainty avoidance.

(2) Organizational Culture (Independent Variable)

The study also focuses on the impact of IJV organizational culture on knowledge transfer between joint ventures' partners. IJV organizational culture underlying assumptions are reflected in six dimensions as suggested by Hofstede et al. (1990). This study used three measures for each dimension to conceptualize the organizational culture as discussed in the literature. All measures are five-point Likert scales ranging from "1 = strongly agree" to "5 = strongly disagree". Table 2 below lists the organization dimensions and their associated measures.

Table 3 Organizational culture dimensions and measures

Dimension	Measure	Source
Process vs. Result	The work is performed faster in this organization	Pothukuchi et al. (2002) <i>modified</i>
	Employee are encouraged to takes initiatives	Pothukuchi et al. (2002)
	Style of dealing with each other is informal	Pothukuchi et al. (2002)
Employee vs. Job	Decisions making is centralized in a single person, level, job, and/or department	Hofstede (1998)
	There is little concern for personal problems of employees	Hofstede (1998)
	Organization is interested only in the work of employees	Hofstede (1998)
Parochial vs. Professional	People's private life is treated as their own business	Hofstede (1998)
	Job competence is the only criterion in hiring people	Hofstede (1998)
	In this organization, we think (plan) three	Hofstede (1998)

	years ahead or more	
Open vs. Closed System	Only specific kind of people fit in the organization	Hofstede (1998)
	Organization is closed and secretive	Hofstede (1998)
	New employees need more than a year to feel at home	Hofstede (1998)
Loose vs. Tight Control	Everyone is cost-conscious	Hofstede (1998)
	Meeting times are kept punctually	Hofstede (1998)
	Employees always speak seriously of organization and job	Hofstede (1998)
Normative vs. Pragmatic	The ethical and honesty standards in this organization are very high	Hofstede (1998)
	Major emphasis is on meeting customer needs	Hofstede (1998)
	Results are more important than procedures	Hofstede (1998)

(3) Knowledge transfer (dependent Variable)

Knowledge transfer is considered a process and dependable variable (Muthusamy & White 2005). The success of the joint venture is reflected by the amount and type of knowledge transferred. From the literature, 20 measures are developed to capture the extent of knowledge transfer between joint ventures' partners. 8 statements were presented to examine the process of knowledge transfer in general. 6 questions each are presented to examine the type of knowledge (explicit versus tacit) transferred between IJV partners. All measures are five-point Likert scales ranging from "1 = strongly agree" to "5 = strongly disagree". Table 3 lists the measures used for the knowledge transfer variable.

Table 4 Knowledge transfer measures

Item	Measure	Source
Knowledge Transfer Process	The local and foreign staff have leaned to jointly execute marketing, R&D, or production operations	Muthusamy and White (2005)

	The local and foreign staff have learned to exchange skills, know-how, or technologies with each other	Muthusamy and White (2005)
	The local staff have gained new technologies, competencies, or techniques from the joint venture	New
	The foreign staff have gained new ideas or skills from this joint venture	New
	The JV management encourages the local employees to learn and acquire foreign partner's knowledge	Kim and Lee (2004)
	The JV management has provided the necessary resources needed to support the acquisition of knowledge from the foreign partner	Kim and Lee (2004)
	The procedures, guidelines, and training programs provided by the foreign partner have been very helpful for this JV	Kim and Lee (2004)
	In the last three years, the foreign partner has offered a lot of formal training programs such as seminars and lectures to the local staff	Kim and Lee (2004)
Explicit Knowledge Transfer	New personnel can easily learn their job by studying a complete set of blueprints	Bresman, Birkinshaw and Nobel (1999)
	New technology, techniques, best practices, or management principles are communicated through documentation methods	Kim and Lee (2004)
	Employees can freely access the to the majority of document, information system, and knowledge within organization	Kim and Lee (2004)
	Since the establishment of the JV, knowledge is transferred from the foreign partner to the local partner through the following methods:	Hau and Evangelista (2007)
	a) Reading and understanding training materials supplied by the foreign partner.	Hau and Evangelista (2007)
	b) Using manuals prepared by the foreign partner on how to undertake different activities.	Hau and Evangelista (2007)
	c) Applying rules and standard operating procedure specified in writing by the foreign partner through memoranda and other	Hau and Evangelista (2007)

	documents.	
Tacit Knowledge Transfer	d) Interacting closely with the foreign staff	Hau and Evangelista (2007)
	e) Collaborating closely with the foreign staff in solving problems or in conducting joint projects (e.g. developing new products or a promotion campaign).	Hau and Evangelista (2007)
	f) Observing how the foreign staff solve problems or make decisions.	Hau and Evangelista (2007)
	New personnel can easily learn their job by talking to experienced personnel	Bresman, Birkinshaw and Nobel (1999)
	New technology, techniques, best practices, or management principles are communicated through coaching/mentoring methods	Kim and Lee (2004)
	Employees voluntarily share individual know-how, effective information with each other	Kim and Lee (2004)

(4) Age of the IJV (Independent Variable)

The age of the IJV is determined by the number of years the IJV has been in operation. This information will be used to study the effect of time on the impact of knowledge and organizational cultures on knowledge transfer.

3.6 HYPOTHESIS TESTING PLAN

The statistical analysis will be carried out using SPSS statistics programme version 17 (SPSS 2008). The ten hypotheses developed in the above literature review (four alternatives type and six null hypotheses) will be tested based on the sample data according to the following quantitative statistical plan which include the decision rules for accepting or rejecting the hypotheses. The plan consists of four steps:

- 1) The Significance level (p-value) will be equal to 0.01, 0.05, and 0.10

- 2) The test methods that will be used in this study are two types: descriptive and inferential. Descriptive statistics will include mean scores and correlations coefficients. Inferential statistics will include multivariate and ANOVA analysis.
- 3) The sample data will be analyzed to find the values of the test methods (mean score, correlation coefficients, regression coefficients and the p-values).
- 4) The test results will be interpreted to apply the rejection or acceptance of the hypotheses. The decision rules to accept or reject the hypothesis will be made with reference to the p-value. The strength of evidence in support of the hypothesis is measured by the P-value; where The P-value is the probability of observing a test statistic as extreme as test statistic (Stat Trek 2007). If the P-value is less than the significance level, null hypothesis will be rejected.

4.0 CHAPTER FOUR: THE STUDY RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter presents the results of the survey pertaining to sample description, national culture, organizational culture, and knowledge transfer results. The prerequisite tests of normality, reliability, and linearity will be presented first, followed by the correlation and regression results and their interpretations.

4.2 SAMPLE DESCRIPTION

The majority of the respondents (96%) were males. Moreover, the majority of respondents reported having a college degree (62%) followed by high diploma (26%). The distribution for work experience was: one year or less (3%), 2 to 7 years (41%), 8 to 13 years (28%), and 14 to 19 years (28%). Positions levels ranged as follows: top level (32%); middle level (55%); and lower level (12%). The majority of respondents (74%) worked in production and technical divisions followed by R and D division (15%). In terms of nationality, UAE nationals were (58%) and other nationalities (42%). Summary of the demographic statistics and the correlations between demographic factors and study variables are presented in Table 5.

Table 5. Descriptions of the study sample and correlations between demographic factors and national culture, organizational culture and knowledge transfer ($N=74$)

	Gender	Education	Work Experience	Job Level	Division	Nationality
Male	95.9 %					
Female	4.1 %					
High School or less		9.5 %				
High Diploma		25.7 %				
Graduate Degree		62.2 %				
Masters or above		2.7 %				
One year or less			2.7 %			
2 to 7 years			40.5 %			
8 to 13 years			28.4 %			
14 to 19 years			28.4 %			
Top level				32.4 %		
Middle level				55.4 %		
Lower level				12.2 %		
R & D					14.9 %	
Production & Technical					74.3 %	
Support Functions: admin, IT, ...etc					10.8 %	
UAE National						58.1 %
Non-UAE National						41.9 %
National Culture	.168	-.058	.564***	.352**	.479***	-.040
Distance						
Organizational Culture	.035	-.078	-.003	-.091	-.140	-.084
Knowledge Transfer	.035	-.038	-.024	.030	-.066	-.288*

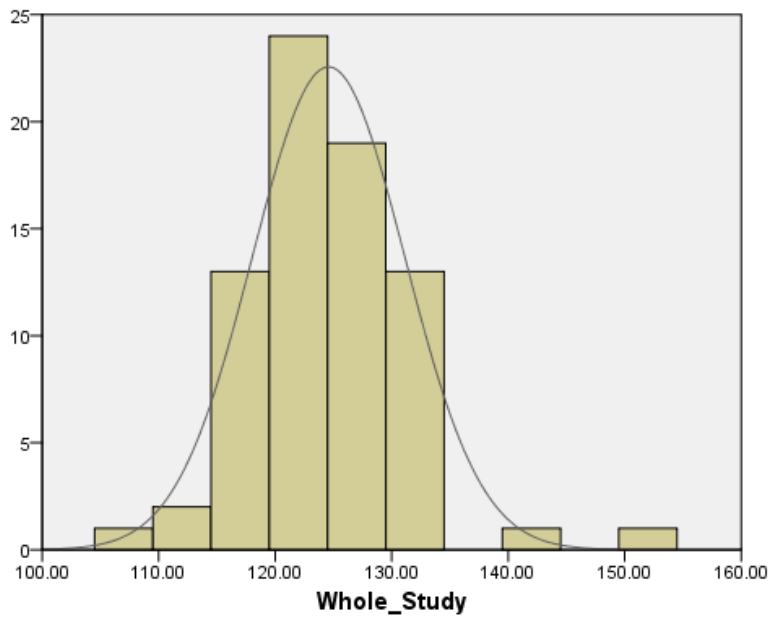
***. Correlation is significant at the 0.001 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).
 *. Correlation is significant at the 0.05 level (2-tailed).

As seen from the table above, national culture distance is highly associated with job experience, level, and division ($p < 0.001$); whereas knowledge transfer exhibits association with employees nationalities ($p < 0.05$). However, it can be seen that organizational culture is not associated with demographic factors.

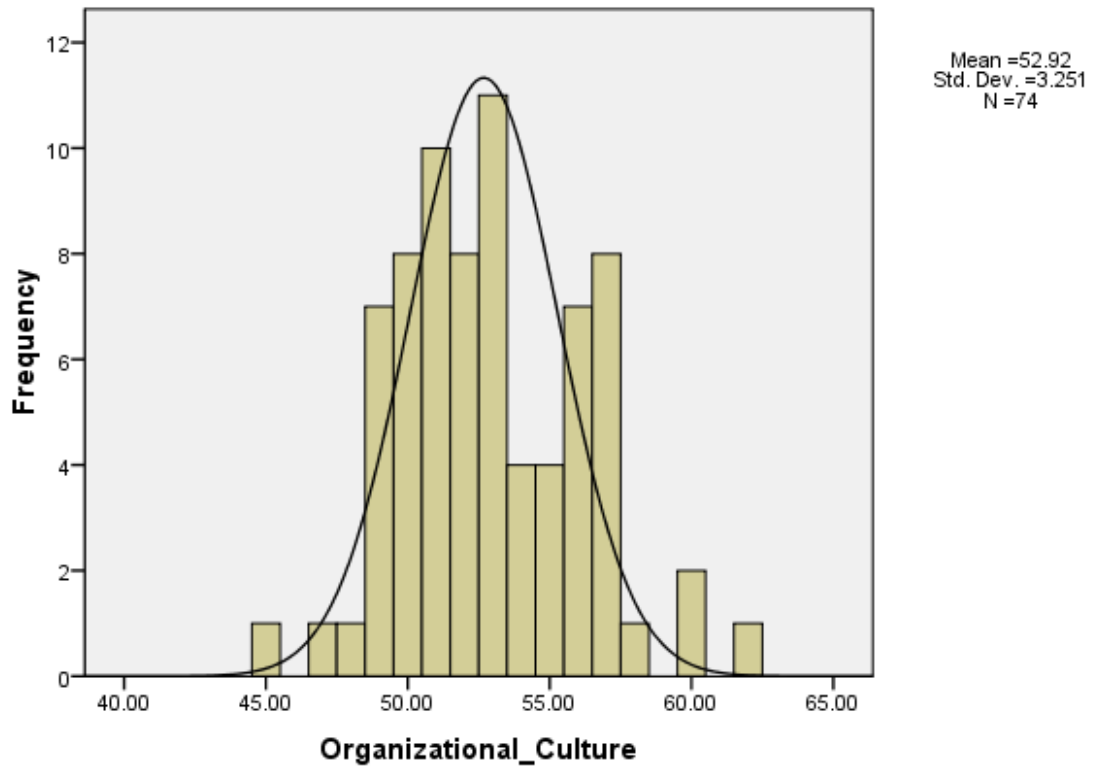
4.3 NORMALITY DISTRIBUTION

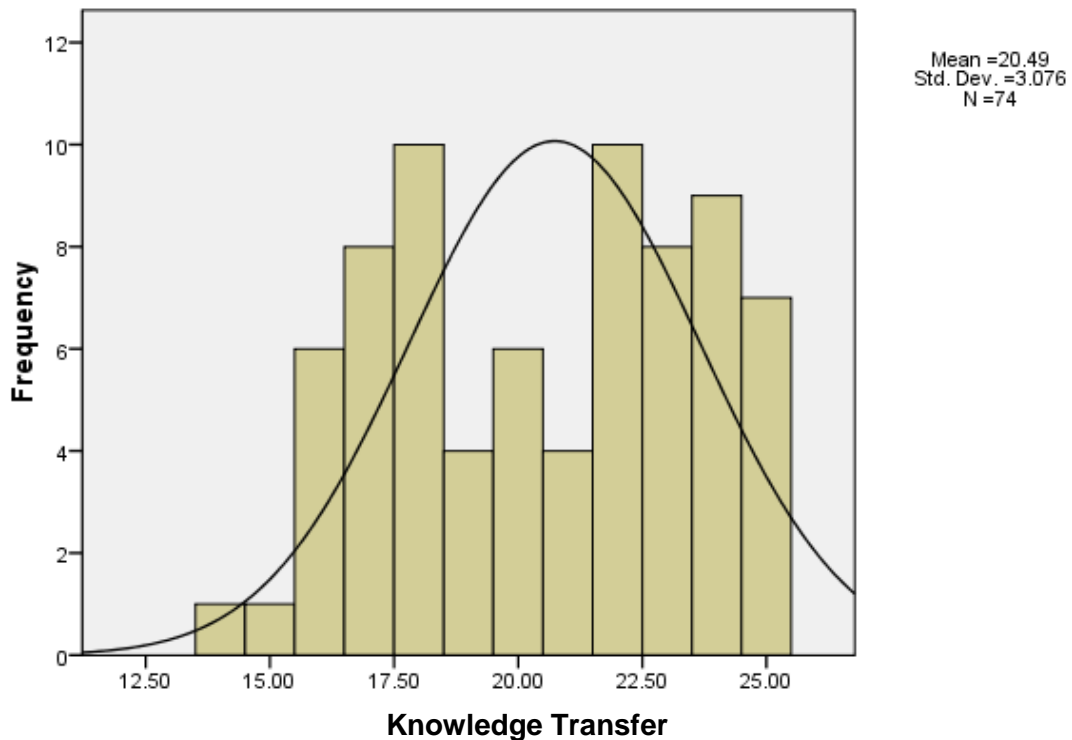
The normality test was conducted to decide on the tests to be used for examining the study hypothesis, i.e. parametric or non-parametric tests. The normality test is particularly critical for the regression analysis. There are two ways of testing normality: graphical and numerical. Graphical methods visualize the distributions of random variables, whereas, numerical methods present summary statistics such as skewness and kurtosis, or conduct statistical tests of normality such as the central tendency method and the Shapiro-Wilk test (Park 2008). Graphical methods are intuitive and easy to interpret, while numerical methods provide objective ways of examining normality (Park 2008). In this study, the two types of normality tests were conducted, namely the graphical test (histogram distribution curve) and numerical tests (skewness, kurtosis, Central tendency measures and the Shapiro-Wilk). Figure 5 shows the distributions of the study variables. As seen from the figure, the study variables exhibit normal distribution.

Figure 5. Histograms with normality curves for the study variables



Organizational_Culture





Additionally, three numerical normality tests were conducted namely skewness, the Shapiro-Wilk and the central tendency measures. Skewness measures the degree of symmetry of a probability distribution where values near zero indicating normally distributed variable (Park 2008). From table 6, skewness of knowledge transfer has a value of (-0.140), organizational culture (0.339), and the overall study (0.282) indicating somewhat homogenous sample.

The Shapiro-Wilk statistic requires that the sample size is greater than 7 and less than 2000 (Park 2008); thus it is a preferred measure for the present study (N=74). A Shapiro-Wilk statistic close to one indicates normality. Table 6 shows the results of the Shapiro-Wilk test for the study variables. As seen from the table, the majority of the variables have Shapiro-Wilk statistics significantly close to one ($p > 0.05$). Thus; it can be assumed that the study data have normal distribution.

Table 6. Results of the normality tests for the study data and variables

	Skewness	Shapiro-Wilk

		Statistic	df	Sig.
Explicit Knowledge Transfer	-.190	.946	74	.003
Tacit Knowledge Transfer	.327	.962	74	.026
Knowledge Transfer	-.140	.935	74	.001
Organizational Culture	.339	.963	74	.028
Process-Result Dimension	.133	.946	74	.003
Employee-Job Dimension	-.072	.953	74	.008
Parochial-Professional Dimension	-.119	.943	74	.002
Open-Closed Dimension	-.228	.952	74	.007
Loose-Tight Dimension	1.095	.872	74	.000
Normative-Pragmatic Dimension	.227	.956	74	.012
Overall Study	.282	.969	74	.070

The test for the central tendency measures was also conducted in order to confirm the results from the skewness and Shapiro-Wilk tests. As can be seen from table (7), the means, medians, modes, and midranges for each variable are very close to each other. Therefore, the central tendency measures for knowledge transfer, organizational culture and the overall study indicate that the sample is homogenous and thus have normal distribution.

Table 7 Results of the central tendency measures (normality) for the study variables

Variable	Mean	Median	Mode	Midrange
Knowledge Transfer	20.49	21.00	18.00 ^a	19.50
Organizational Culture	52.92	53.00	53.00	53.50
Overall Study	124.5811	124.0000	119.00 ^a	55.50

a. Multiple modes exist. The smallest value is shown

4.4 RELIABILITY OF THE SCALES

The reliability of the study variables was examined using Cronbach's alpha method. Whenever possible, the reliability coefficients were improved by deleting some of the problematic survey questions which have large variances and thus unreliable. Table # lists the reliability coefficients of the study variables. Process- result scale was improved by deleting question 3 (Style of dealing with each other is informal) from the study. Likewise, Employee-Job scale was improved by deleting question 4 (Decisions making is centralized in a single person, level, job, and/or department). Furthermore, open-closed scale was improved by deleting question 12 (New employees need more than a year to feel at home). However, the reliabilities of the Parochial-Professional Dimension, Loose-Tight Dimension, and Normative-Pragmatic Dimension are below 0.6 and could not be improved. Therefore, tests based on these dimensions will be given less attention. Explicit knowledge dimension was improved by deleting question 15 (knowledge is transferred from the foreign partner to the local partner by applying the rules and standard operating procedures specified by the foreign partner through memoranda and other documents). Tacit knowledge dimension was improved by deleting questions 16, 18, and 20. Overall knowledge transfer reliability was improved by deleting nine questions out of the twenty questions. Therefore, knowledge transfer was assessed by a total of eleven questions.

As can be seen from table #, the Cronbach's alpha for the overall study was found to be 0.629, for organizational culture 0.55, for national culture 0.87, and for knowledge transfer 0.71. Provided that reliabilities over 0.6 are acceptable and over 0.7 are very reliable, it can be assumed that the overall scales are reliable.

Table 8 Reliability coefficients for the study variables

	Cronbach's Alpha	Cronbach's Alpha after adjustment	Deleted Questions

Process vs. Result Dimension	.37	.53	Q3
Employee vs. Job Dimension	.49	.63	Q4
Parochial vs. Professional Dimension	.21		'Could not be improved'
Open vs. Closed Dimension	.35	.61	Q12
Loose vs. Tight Dimension	.31		'Could not be improved'
Normative vs. Pragmatic Dimension	.36		'Could not be improved'
Organizational Culture	.56		
National Culture Distance	.87		
Explicit Knowledge Transfer	.60	.65	Q15
Tacit Knowledge Transfer	.55	.63	Q16, 18 and 20
Knowledge Transfer	.38	.71	Q1, 2, 3, 6, 8, 9, 10, 15, 17
Whole Study	.63		

4.5 LINEARITY ANALYSYS

Another prerequisite to the regression test is the assumption of the linearity of the sample data. The linearity of the variables is tested to determine its suitability for the linear regression analysis. The results of linearity tests show that the majority of the study variables have linear relationship with knowledge transfer. The graphical illustrations of the linearity tests are included in appendix 3.

4.6 CORRELATION RESULTS

Table (9) presents the means, standard deviations, and the Pearson correlations among the study variables. The findings of these correlations between national culture dimensions, organizational culture dimensions, and knowledge transfer are presented below.

4.6.1 Correlations between National Culture and knowledge transfer

From table (9), it can be seen that among the national culture distance, uncertainty avoidance is the only dimension that significantly with knowledge transfer. Uncertainty avoidance is negatively correlated with explicit knowledge transfer ($r=-0.348$, $p<0.01$), positively correlated with tacit knowledge transfer ($r=0.302$, $p<0.01$), and negatively correlated with overall knowledge transfer ($r=-0.333$, $p<0.01$). This indicates that differences along this dimension between IJV partners negatively influence knowledge transfer. Another observation is that the three national culture dimensions have strong positive association with IJV age. This association is significant at the $p =0.001$ level. This observation suggests that IJV age affect the national culture influence on organizational outcomes. Moreover, the national culture dimensions exhibit strong associations among them.

4.6.2 Correlations between Organizational Culture and Knowledge Transfer

Among the organizational culture dimensions, employee versus job orientation has the strongest association with knowledge transfer. The association of this dimension with explicit knowledge transfer, tacit knowledge transfer, and overall knowledge transfer are 0.575, -0.485, and 0.549 ($p<0.001$) respectively. The survey measured job orientation. Thus, as hypothesized in the literature, if the IJV is job oriented then explicit (formal) knowledge transfer is improved whereas tacit knowledge transfer is negatively influenced. In contrast, professional orientation is shown to have positive association with tacit knowledge transfer ($r=0.308$, $p<0.01$). This indicates that professional oriented employees who derive their identity from their job are more capable of transferring tacit knowledge than parochial employees. Closed oriented IJV are shown to have positive association with tacit knowledge and overall knowledge transfer ($r=0.256$, 0.240) respectively at the 0.05 significance level. Perhaps the closed IJV is capable of transferring tacit knowledge due to the group sub-culture created in such organizations. Tight orientation IJV has positive association with explicit knowledge transfer ($r=0.301$, $P<0.01$) but no association with tacit knowledge transfer.

Since tight management impose strict rules, only explicit knowledge is expected to be transferred. There are no significant association between process-result and normative versus pragmatic orientations and knowledge transfer. In terms of IJV age, only employee-job orientation is shown to have significant association ($r=-0.484$, $p<0.01$). Whereas, open-closed orientation is the only organizational culture dimension that had significant association with national culture dimensions.

Table 9. Means, standard deviations and correlations between study variables

		Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	1 JV Age	3.78	1.426	1														
Organizational Culture	2 Process vs. Result Dimension	5.27	1.465	.147	1													
	3 Employee vs. Job Dimension	5.96	1.530	-.487**	-.325**	1												
	4 Parochial vs. Professional Dimension	7.78	1.501	.087	.079	-.394***	1											
	5 Open vs. Closed Dimension	6.49	.880	.007	-.135	-.209	-.148	1										
	6 Loose vs. Tight Dimension	8.57	1.251	-.030	.044	.131	.147	-.027	1									
	7 Normative vs. Pragmatic Dimension	9.45	1.554	.032	-.125	-.037	-.169	.181	-.019	1								
	8 Organizational Culture	52.92	3.251	-.307**	.499***	.512***	.179	.213	.527***	.398***	1							
	9 Explicit Knowledge Transfer	14.77	2.682	-.436***	-.165	.575***	-.213	.002	.301**	.022	.376***	1						
Knowledge Transfer	10 Tacit Knowledge Transfer	8.07	2.102	.393***	.012	-.485***	.308**	.256*	-.145	-.097	-.293*	-.352**	1					
	11 Knowledge Transfer	20.49	3.076	-.413***	-.176	.549***	-.220	.240*	.319**	-.020	.380***	.929***	-.253*	1				
	12 Individualism vs. Collectivism	29.41	20.472	.572***	.033	.178	-.167	-.223	.101	.119	.073	.094	-.066	.093	1			
National Culture	13 Power Distance	30.24	15.761	.809***	.083	.134	-.174	-.340**	.080	.110	.016	-.031	.019	-.032	.895***	1		
	14 Uncertainty Avoidance	17.30	8.546	.985***	.162	-.185	.007	-.278*	-.006	.049	-.170	-.348**	.302**	-.333**	.595***	.861***	1	
	15 National Culture Distance	76.95	41.935	.784***	.081	.099	-.146	-.293*	.078	.109	.007	-.036	.036	-.035	.946***	.988***	.818***	1

***. Correlation is significant at the 0.001 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

4.7 MULTIVARIATE REGRESSION ANALYSIS:

The hypotheses of the study were tested using multiple regression analysis. Four models are developed to test the hypotheses. Model 1 tests the hypotheses one to three about the relationships between knowledge transfer and national culture dimensions (individualism-collectivism, power distance, and uncertainty avoidance). Model 2 tests the hypotheses five to ten about the relationships between knowledge transfer and organizational culture dimensions (process-result, employee-result, parochial-professional, open-closed system, loose-tight control, and normative-pragmatic). Model 3 tests the hypothesis about the effect of IJV age on the cultural impact on knowledge transfer. This model examines the influence of national and organizational cultures on knowledge transfer during the early phase as well as the maturing phase of the IJV. Model 4 examines the significance of knowledge types (explicit or tacit) in the above knowledge transfer models.

Three tables are presented for this analysis. The first table (model summary) tests the goodness to fit of the models. The second table (ANOVA) is presented to confirm the findings of the first table and specify the reliability of the model. The third table (regression coefficients) presents the regression statistics which will be used to accept or reject the study hypotheses.

The model summary table (10) includes the following values:

- R is the correlation between the observed and predicted values of dependent variable and it ranges from -1 to 1 where the sign indicates the direction of this relationship.
- The coefficient of determination (denoted by R^2) is a key output of regression analysis. It is interpreted as the proportion of the variance in the dependent variable that is predictable from the independent variable. The coefficient of determination ranges from 0 to 1 and indicates the extent to which the dependent variable is predicted by the independent variables.

The ANOVA table (11) is used to check how well the model fits the data and includes the following values:

- The sum of squares of regression is the improvement in the prediction, while the sum of squares of the residuals represents the error in the prediction.
- The F and significance values are used to answer the question "Do the independent variables reliably predict the dependent variable? (UCLA ATS 2007). If the significance value of F is less than the threshold p-value, then the independent variables do a good job in explaining the variation in the dependent variable (SPSS 2007)

The regression predictors table (12) presents the following values:

- The un-standardized coefficients which are the regression values for predicting the dependent variable from the independent variable
- The standardized Beta coefficients which quantify the relationship between the independent variables and the dependent variable.
- The t values determine the relative importance of each variable in the model and significance value is used to validate the regression coefficients.

Table 10. Regression Models Summary

Model					Predictors	Dependent Variable
	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.673	.453	.429	2.32364	(Constant), Uncertainty Avoidance, Individualism, Power Distance	Knowledge Transfer
2	.688	.473	.426	2.33007	(Constant), Normative Orientation, Tight Orientation, Result Orientation, Professional Orient, Closed system Orient , Job Orientation	Knowledge Transfer
3a	.479	.229	.208	2.38745	(Constant), National Culture Distance, Organizational Culture	Explicit Knowledge Transfer
3b	.282	.080	.054	2.04530	(Constant), National Culture Distance, Organizational Culture	Tacit Knowledge Transfer
4a	.130	.017	-.065	2.12120	(Constant), Organizational Culture	Knowledge Transfer
	Selecting only cases for which JV Age = 3 years or less					
4b	.613	.376	.354	2.56180	(Constant), National Culture Distance, Organizational Culture	Knowledge Transfer
	Selecting only cases for which JV Age >= 16 to 21					

Table 11 ANOVA Statistics

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	312.534	3	104.178	19.295	.000 ^a
	Residual	377.952	70	5.399		
	Total	690.486	73			
2	Regression	326.728	6	54.455	10.030	.000 ^b
	Residual	363.758	67	5.429		
	Total	690.486	73			
3a	Regression	120.401	2	60.201	10.562	.000 ^c
	Residual	404.693	71	5.700		
	Total	525.095	73			
3b	Regression	25.652	2	12.826	3.066	.053 ^d
	Residual	297.010	71	4.183		
	Total	322.662	73			
4a	Regression	.935	1	.935	.208	.657 ^e
	Residual	53.994	12	4.499		
	Total	54.929	13			
Selecting only cases for which JV Age = 3 years or less						
4b	Regression	225.568	2	112.784	17.185	.000 ^f
	Residual	374.082	57	6.563		

Total	599.650	59		
Selecting only cases for which JV Age >= 16 to 21				

- a. Predictors: (Constant), Uncertainty Avoidance, Individualism, Power Distance
- b. Predictors: (Constant), Normative-Pragmatic, Loose-Tight, Process-Result, Parochial-Professional, Open-Closed, Employee-Job
- c. Predictors: (Constant), National Culture Distance, Organizational Culture
- d. Predictors: (Constant), National Culture Distance, Organizational Culture
- e. Predictors: (Constant), Organizational Culture
- f. Predictors: (Constant), National Culture Distance, Organizational Culture

Dependent Variable for models 1, 2, 4a,b is Knowledge Transfer

Dependent Variable for model 3a is Explicit Knowledge Transfer

Dependent Variable for model 3b is Tacit Knowledge Transfer

Table 12. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.929	.621		35.311	.000
	Individualism	-.162	.047	-1.081	-3.436	.001
	Power Distance	.504	.097	2.582	5.194	.000
	Uncertainty Avoidance	-.688	.099	-1.912	-6.943	.000
2	(Constant)	-.847	4.608		-.184	.855
	Result Orientation	.516	.194	.264	2.665	.010
	Job Orientation	.978	.179	.591	5.459	.000
	Professional Orientation	-.036	.208	-.017	-.172	.864

	Closed System Orient.	.319	.193	.162	1.647	.104
	Tight Control Orient.	.582	.227	.237	2.561	.013
	Pragmatic Orientation	.014	.184	.007	.075	.940
3a	(Constant)	-5.813	4.568		-1.273	.207
	Organizational Culture	.394	.086	.478	4.583	.000
	National Culture	-.004	.007	-.057	-.546	.587
3b	(Constant)	17.458	3.913		4.461	.000
	Organizational Culture	-.181	.074	-.280	-2.456	.017
	National Culture	.002	.006	.048	.425	.672
4a	(Constant)	26.277	9.557		2.749	.018
	Organizational Culture	-.081	.178	-.130	-.456	.657
Selecting only cases for which JV Age = 3 years or less						
4b	(Constant)	-8.681	5.424		-1.601	.115
	Organizational Culture	.476	.107	.486	4.436	.000
	National Culture	.039	.017	.257	2.343	.023
Selecting only cases for which JV Age >= 16 to 21						

Dependent Variable for models 1, 2, 4a,b is Knowledge Transfer

Dependent Variable for model 3a is Explicit Knowledge Transfer

Dependent Variable for model 3b is Tacit Knowledge Transfer

4.7.1 Model 1: National Culture Dimensions and Knowledge Transfer

Hypothesis H1, H2, and H3 are tested using model 1. As seen from table (10), the model which combines the three national culture dimensions (individualism-collectivism, power distance, and uncertainty avoidance) has a strong correlation with knowledge transfer ($R=0.673$). The determination of coefficient (R^2) is 0.453 indicating that 45.3% of the variance in knowledge transfer capability is explained by national culture dimensions. Since F value is significant at the $p=0.001$ level, the model does a good job in explaining the variance in knowledge transfer.

As seen from table (12), the difference in individualism has a weak negative association with knowledge transfer ($B=-0.162$, $p<0.001$) which indicates that the difference in individualism (or collectivism) has a minor negative impact on knowledge transfer. Therefore, H1 is accepted. The minor impact can be explained by the finding Bhagat et al. (2002) who showed that there is no fundamental difference between individualist and collectivist with regard to some types of knowledge such as explicit, simple, and independent knowledge. Since the UAE is a collectivist culture, knowledge transfer will improve when it teams with another collectivist partner. In this study, knowledge transfer, in terms of individualism/collectivism, is expected to be effective with IJV4 between the UAE and another Arab country; and difficult with IJV1, 2, and 3 between the UAE and Canada, Japan, and USA respectively.

In contrast, the difference in power distance dimension is positively associated with knowledge transfer ($B=0.504$, $p<0.001$) which indicates that the differences in power distance dimension between IJV partners have positive impact on knowledge transfer. Therefore, H2 is rejected. The regression result is in line with the Pearson correlation coefficient ($r=-0.333$, $p<0.01$) as found in table (9). The result suggests that for every increase in power distance difference, knowledge transfer will increase by 0.504 units. As a result, incompatibility in power distance dimension is preferred in IJVs to improve knowledge transfer between partners. The fact that national culture has mixed effects on organizational outcomes was also presented by Pothukuchi et al. (2002). Since power

distance is concerned centralization of organizational structures, perhaps low power distance of one partner helps to ease the inequality beliefs among high power distance employees. It can be assumed that since the UAE is high power distance culture, more success is expected when the IJV is with low power distance partners such as Canada and USA.

Among national culture dimensions, uncertainty avoidance has the strongest effect on knowledge transfer ($B=-0.688$, $p<0.001$). The negative sign suggests that the differences in uncertainty avoidance have negative impact on knowledge transfer between IJV partners. As a result, H3 is accepted. People in strong uncertainty avoidance cultures have fear of losing their positions and influence, therefore they become protective of their knowledge even when the other partner is cooperative. This is supported by research of Muthusamy and White (2005) who state that when people fear that their power is exploited, they may guard against it creating a defensive mind-set which affect knowledge transfer with the their partner. In fact, even when people in high uncertainty avoidance culture lack the necessary knowledge, they will not aggressively seek to learn from their partners because they will tend to embark on less risky activities and follow more traditional methods and ideas and hence their need to learn is minimized. People in strong uncertainty culture adopt more formal way work execution. Lavoro (2006) asserts that formal procedures are barriers for knowledge transfer and informal procedure makes sharing more spontaneous.

Overall, the study has shown that national culture has a significant impact on knowledge transfer between IJV partners. Therefore, understanding each other national culture is an important partnering skills Buckley, Glaister, and Husan (2002). While individualism-collectivism has a moderate influence, power distance and uncertainty avoidance has strong influences on knowledge transfer between IJV partners.

4.7.2 Model 2: Organizational Culture Dimensions and knowledge transfer

The second model combined organizational culture dimensions (process-result, employee-job, parochial-professional, open-closed system, loose-tight control, and normative-pragmatic). As seen in table (10), the model has a correlation R of 0.688 suggesting strong correlation with knowledge transfer. R square value (0.473) suggest that 47.3% of the variance in knowledge transfer is predicted by organizational culture dimensions. From table (11), we see that the significance of F value is less than 0.001 which indicates that the predictor variables (organizational culture dimensions) reliably predict variance in knowledge transfer.

From table (12), we see that coefficient of regression B for the result orientation is 0.516 at the 0.01 significance level. The regression value suggests that there is strong positive association between process-result dimension and knowledge transfer. Therefore, the null hypothesis H05 is rejected. Specifically, if the IJV culture is result oriented then knowledge transfer is improved. Employees in result oriented IJV emphasize the final outcomes and thus they seek alternative approaches and knowledge to achieve their objectives. As a result, they are more capable of transferring knowledge than employees in process oriented IJV.

Among the organizational culture dimensions, job orientation has the strongest association. As seen from table (12), the regression coefficients ($B=0.978$, $p<0.001$) is highly significant. The strong positive relationship between process-job orientation and knowledge transfer falsify hypothesis H06. This result is in agreement with strong Pearson correlation ($r=0.549$, $p<0.001$) as found in table (9). The more job oriented IJV culture, the more knowledge is transferred between IJV partners. IJVs that focus on the job being done accelerate the organizational learning and foster knowledge transfer. Whereas, IJVs that focus on employees issues encounter difficulty in learning capabilities.

The relationship between tight system orientation and knowledge transfer is shown to have a positive association with knowledge transfer ($B=0.582$, $p<0.05$). This result is in agreement with Pearson correlation value ($r=0.319$, $p<0.01$) as found in table (9). As a result, hypothesis H09 is rejected. The study shows that tight control orientation

positively influence knowledge transfer. While tight control orientation was believed to negatively influence knowledge transfer, the result might be due to the low reliability Cronbach's alpha (0.31) which was not possible to improve. However, it can be assumed that some control need to be in place in IJV to increase knowledge transfer (especially explicit knowledge). Buckley, Glaister, and Husan (2002) assert that as long as the tight control is not perceived as interference, it can be beneficial to the IJV. This finding needs to be studied more thoroughly with more reliable data and larger sample size.

The study provided no statistical support for the other organizational culture dimensions variables. Professional orientation has a very low association with knowledge transfer and is not significant. Therefore, the null hypothesis H07 is accepted as there is no strong evidence to reject the hypothesis. The relationship between closed system orientation with knowledge transfer is not significant ($P=0.104$). Therefore hypothesis H07 is accepted. Similarly, the association between pragmatic orientation and knowledge transfer is very weak and is not significant. Therefore, the null hypothesis H010 is accepted. However, the conclusion not to reject the hypotheses does not necessarily mean that the null hypothesis is true, it only suggests that there is not sufficient evidence against the null hypothesis H_0 in favour of the alternative hypothesis, rejecting the null hypothesis suggests that the alternative hypothesis may be true (Easton & McColl 1997).

4.7.3 Model 3: National and Organizational Cultures and Knowledge Types

This model examines the effect of knowledge being explicit or tacit in the transfer process under national and organizational cultural considerations. As seen from table (#), the correlation for explicit knowledge is 0.479 and R square is 0.229 indicating that 22.9% of the variance in explicit knowledge transfer is explained by the predictor variables. The correlation for tacit knowledge is 0.282 and R square is 0.08 indicating that only 8% of the variance in tacit knowledge transfer is explained by the predictor

variables. Table (11) suggests that the low prediction is significant for explicit knowledge ($p < 0.001$), but not significant for tacit knowledge ($p = 0.053$).

The results of the regression analysis for this model, as seen in table (12), suggests that explicit knowledge is influenced more by organizational culture ($B = -0.394$, $p < 0.001$). National culture shows non-significant weak association with explicit knowledge transfer. Moreover, tacit knowledge transfer shows weak association with organizational culture and no association with national culture. Since transfer of tacit knowledge requires developed learning culture which is time consuming (Nooteboom 2001), Organizational culture is a better predictor for this type of knowledge. The model explains that organizational culture can have greater effect on explicit and tacit knowledge transfer, but fails to explain the association with national culture.

4.7.4 Model 4: IJV Age and Knowledge Transfer

This model examines which cultural level (national or organizational) affects knowledge transfer the most during the early phase as well as the maturing phase of the IJV. The model failed to provide significant statistical results for IJV age less than 3 years as the significance level of F value exceeds the acceptable level and R square value of 0.017 is very low indicating high error in the regression. On the other hand, the model provides significant statistical results when the IJV age is more than 16 years ($R^2 = 0.376$, $p < 0.001$). Although only 37.6% of the variance in knowledge transfer is explained by cultural levels when IJV age is more than 16 years, the correlation between knowledge transfer and cultural levels (national and organizational) has a strong positive value of 0.613, and is mostly due to organizational culture. As a result, hypothesis H4 is accepted for the effect of organizational culture only. It can be proposed from this model that organizational culture affect knowledge transfer the most during the maturing phase of the IJV. This is supported by Pothukuchi et al. (2002) who showed that the negative impact of culture on IJV performance originates more from

organizational culture rather than national culture. This finding is supported by the fact that organizational culture develops only after elapse of some time and only then that it will affect the process of knowledge transfer between IJV partners. Table (13) summarise the final outcomes of the multivariate regression analysis.

Table 13. Final outcomes of the multivariate regression analysis

Hypothesis	Relationship	Decision
H1	Difference in individualism/collectivism (-)→ KT	Accepted
H2	Difference in power distance (-)→ KT	Rejected
H3	Difference in uncertainty avoidance (-)→ KT	Accepted
H4	NC → KT when IJV in early phase OC → KT when IJV in maturing phase	Accepted for OC→KT
H ₀ 5	No relationship between process-result orientation and KT	Rejected
H ₀ 6	No relationship between employee-job orientation and KT	Rejected
H ₀ 7	No relationship between parochial-professional orientation and KT	Not Rejected
H ₀ 8	No relationship between open-closed system orientation and KT	Not Rejected
H ₀ 9	No relationship between loose-tight control orientation and KT	Rejected
H ₀ 10	No relationship between normative-pragmatic orientation and KT	Not Rejected

KT=Knowledge Transfer

NC=National Culture

OC=Organizational Culture

5.0 CHAPTER FIVE: IMPLICATIONS, RECOMMENDATIONS, AND LIMITATIONS OF THE STUDY

5.1 INTRODUCTION

This chapter presents some of the implications of the present study for the considerations of practitioners as well as researchers in the field of knowledge management and cultural outcomes as they pertain to joint ventures. The chapter consists of three main sections: practical implications, research implications, study limitations.

5.2 PRACTICAL IMPLICATIONS

In proposing that both national and organizational cultures have different dimensions and that knowledge transfer is influenced by these different cultural contexts, it is imperative to understand the difficulties of effective knowledge transfer between IJV partners. IJV itself is a very complex organizational structure in which there are multiple parenting structures in addition to the IJV management itself. Therefore, in order to have effective knowledge transfers between IJV partners, practitioners need to address important cultural issues. As suggested by Kandemir & Hult (2005), competitive advantage of IJV is achieved by examining the cultures of both parents' organizations to understand how to achieve their objectives. Three main implications are presented for IJV practitioners.

5.2.1 Implications from the impact of National Culture

Planning for joint ventures should incorporate study of the national culture backgrounds of IJV partners. It was shown in this study that national culture has a significant impact on knowledge transfer between IJV partners. Moreover, differences in national cultures dimensions can yield different outcomes on knowledge transfer process. Differences along the individualism-collectivism dimension negatively influence knowledge transfer between IJV partners. However this influence has a moderate role. Therefore, if precautions are taken to ensure full cooperation between individualist partner and collectivist partner, then the difficulty experienced with this cultural dimension can be eliminated. Ways to improve knowledge sharing between individualist partner and collectivist partner include the following recommendations:

- The encouragement from senior management for the exchange knowledge among all IJV employees. The role of management is considered crucial for knowledge transfer between IJV partners. This role is derived from their responsibility to develop and maintain the right learning culture within the IJV.
- Building trust between IJV partners is an important task for IJV management. Whilst trust can be built up in advance through prior trading and business links (Child 2003), it can be further cultivated through social activities between people from the IJV partners. The IJV management can set up social activities in which IJV people will have the chance to interact more closely both during working hours and off-work times.
- Regular meetings both horizontally between same level managers but from different divisions, and vertically between top managers and lower level employees can provoke learning culture within the IJV which promote high knowledge transfer.
- Regular meetings and visits between IJV employees and parent organizations increases the potential for cross-national learning and introduce personal links between the local and foreign partners.

Difference in power distance dimension was shown to have positive impact on knowledge transfer. The benefits of having a low power distance outweigh the potential risk of having a high power distance partner. Thus, it is recommended to strengthen the

advantages of the low power distance culture through examining the features of the low power distance partner and importing them to the IJV setting. More emphasis should be placed on creating a flat and flexible structure when changes in internal processes and external conditions can be responded to efficiently and effectively. Rotation of personnel in different IJV positions helps to encourage high power distance people to participate more in setting the objectives and sharing the knowledge. Moreover, it is recommended that conflicts resolutions should be handled in a systematic and structured way and by involvement of employees from all levels.

Differences in uncertainty avoidance are shown to have negative impact on knowledge transfer between IJV partners. Since strong uncertainty avoidance people are reluctant to share their knowledge or acquire new knowledge, new job related approaches should be taken to overcome this problem. It is recommended to offer job security to the employees to encourage their participation in the learning process. Whilst job security can costs the IJV expensive investment, the advantages are more influential to maintain the IJV competitive advantage. Once people from string uncertainty avoidance feel relaxed about their prospects future, they begin to commit more efforts to their work activities which translate into more organizational engagement.

5.2.2 Implications from the Impact of Organizational Culture

The second major implication is concerned with the IJV organizational culture. It is evident from this study that organizational culture is crucial for knowledge transfer between IJV partners. Organization culture of the IJV is going to evolve and develop over time after being influenced by the national cultures of IJV partners. In the early stages, the IJV will adopt the organizational culture that has the values of their parents' manager. Overtime, the unique organizational culture if the IJV develops after being confronted with many internal conflicts and external disturbances. The IJV management should be able to adopt the most suitable type of organizational culture which will influence knowledge transfer between IJV partners and therefore the IJV competitive advantage. In order to develop the right organizational culture, IJV managers should pay attention to the attributes of the different organizational culture dimensions.

It has been shown in this study that the result oriented IJV, as opposed to process oriented, positively impact knowledge transfer among people. Managers should emphasize the results of work activities rather than the work process or procedures. This approach opens up many options and alternatives to the people executing the work. Hence they will seek different knowledge to achieve their objectives. As a result knowledge transfer is enhanced and prioritized. In order to facilitate this approach, innovative methods can be put in place such as brainstorming sessions, group troubleshooting exercises, and knowledge circles.

Job orientating is another important organizational dimension that strongly influence knowledge transfer between IJV partners. Job orientation, as opposed to employee orientation, drives the attention of people towards their work related activities. In order to facilitate job orientation IJV managers are encouraged to involve the employees in the setting of work and organizational objectives. When employees feel their views are important and valuable, they increase their participation in the learning processes and thus are more willing to transfer the knowledge they possess.

5.2.3 Implications Regarding the Type of Knowledge

It is important to consider the type of knowledge being transferred before considering the impact of cultural variations on such transfer. Explicit knowledge transfer is considered somewhat easy. However, to have maximum and effective transfer of explicit knowledge, considerations should be taken regarding the contextual settings, information management systems and communication routes. The proper knowledge management system enhances the transfer of explicit knowledge. This can be implemented by providing superior information structure and easy documentation procedures.

Transfer of tacit knowledge, on the other hand, is more difficult and requires more organizational efforts and planning. Because tacit knowledge is embedded in the individuals themselves, transfer of such knowledge is made possible by the personnel

interactions with each other. Extensive social interactions play an important role for transferring tacit knowledge. To enhance the social element in IJV, emphases should be placed on conducting joint projects between IJV partners. Moreover, coaching and mentoring methods should be included in the management's agenda for continuous improvement.

5.3 RESEARCH IMPLICATIONS

The findings of this study suggest that both national and organizational cultures have important impact on knowledge transfer. Therefore, it is imperative to consider the relationship between knowledge management practices and cultural contexts in partnership arrangements because they represent the extreme cases in terms of cultural variations. This study exposed more of this relationship by stating that national culture has mixed outcomes on knowledge transfer. Differences in both individualism/collectivism and uncertainty avoidance have negative impact on knowledge transfer between IJV partners, whereas difference in power distance has positive impact on knowledge transfer.

Moreover, IJV studies should focus more on the concept of organizational culture since variations on this cultural level can lead to serious conflicts among IJV staff and eventually failure to achieve the IJV objectives. Organizational culture is particularly important because its influence increase over time and become prime contributor to competitive advantage. Research on organizational culture is challenging because there exist many organizational culture dimensions proposed in the literature. Studies that elicit the most important dimensions can be influential for organizational studies. This study showed that process-result orientation, employee-job orientation, and loose-tight system orientation are among the critical dimensions for organizational studies and.

5.4 LIMITATION OF THE STUDY

This study was objective developed to test a set of propositions that contribute to our understanding of how knowledge transfer in IJVs is influenced by national and organizational culture variation between IJV partners. It was focused on IJVs in the UAE context only. The study has five major limitations:

- 1- The study has focused solely on national and organizational cultural dimensions as proposed by Geert Hofstede. Even though these cultural dimensions are relatively old, their use is justified by the fact that cultural values are stable overtime (c.f, Barkema and Vermuelen, 1997). However, future research needs to re-evaluate the national culture dimensions of the UAE. Moreover, there exist other dimensions of culture that are relevant in joint ventures studies such as trust, ability to innovate and achievement orientation. These dimensions could be studied for their impact.
- 2- The number of IJVs participated in this study is comparatively small for quantitative analysis. This resulted in some of the scales having lower reliability. A similar study with larger sample will provide greater insight and stronger verification of the hypotheses. The study was restricted to the UAE only. Obviously, generalization of the findings to other countries should be supported with further research. The study, however make a reasonable start for the gulf region where most of the cultural variables are similar.
- 3- Knowledge transfer being a complex and rich concept cannot be explained by the questionnaire method only. The quantitative approach should be complemented with qualitative study to better examine the effective knowledge transfer in joint ventures.
- 4- The study has ignored the moderating effects of individuals' cognitive styles and motivational contexts. This is important because at the end it is up to the individuals to transfer and absorb knowledge. Future studies should incorporate these effects as control variables.

6.0 CONCLUSIONS

This chapter presents the concluding remarks of all the preceding chapters in the study paper.

Chapter one presented the research aim and objectives which are as follows: (1) to empirically examine the effects of three national culture dimensions (individualism-collectivism, power distance, and uncertainty avoidance) and six organizational culture dimensions (process versus result oriented, employee versus job oriented, parochial versus professional oriented, open versus closed system oriented, tight versus tight control oriented, and normative versus pragmatic oriented) on the process of knowledge transfer in IJV. Second, to explore whether the cultural factors affecting explicit knowledge transfer has the same or different impact on tacit knowledge transfer. Third, to assess the impact of both national and organizational culture on knowledge transfer during the early phase as well as the maturing phase of the IJV.

Chapter Two presented the literature review on the topics covered in the stud which are IJV, knowledge transfer, national culture, and organization culture.

In the IJV section, the chapter defined IJV as a separate legal and organizational entity formed between two distinct organizations to achieve the strategic goals of the parent firms. It can be a contractual agreement or an equity based venture which shares the assets of parent organizations. IJV is a complex arrangement because of the multiple parenting structures and the variety of parenting skills required to manage the IJV. Control in IJV is driven by the resource dependence theory. IJV is subject to serious challenges and failure rates which are mainly due to conflicts between the two partners and knowledge transfer deficiency. Despite its challenges, IJV is very popular because of its ability to expand the growth globally, overcome market and political risks, and fast track the organizational learning process.

In the knowledge transfer section, knowledge has been presented as an important element of knowledge management. Knowledge is a holistic concept that includes

explicit information as well as tacit experiences, skills and values. Knowledge is considered an indispensable resource for IJVs' learning and competitive advantage. Knowledge transfer can occur from the local partner to the foreign partner or vice versa. Among the most influential factors for knowledge transfer in IJVs are the types of knowledge being transferred, the cultural contexts of the two partners, and the age of the IJV. The relationships of these factors to knowledge transfer in IJVs will be tested in this study.

In the national culture section, the chapter presented national culture as the identity of a given group that characterizes their behaviour in terms of its values and norms. National culture affects organizational outcomes differently. The most influential dimensions for knowledge transfer are individualism versus collectivism, power difference, and uncertainty avoidance. Knowledge transfer in IJV between the UAE and a foreign partner is assumed to be difficult when the foreign partner is not compatible with the UAE and effective when the foreign partner is culturally compatible. Moreover, national culture is believed to impact knowledge transfer during the early phases of the IJV; whereas, organizational culture is believed to impact during the maturing phase.

In the organizational culture, the chapter explained that the capacity of organizational culture to enable internal integration and external adaptation is recognized as critical success factors for effective knowledge transfer in IJV. Organizational culture impact the management practices and personnel behaviour towards many organizational issues such as task achievement, outcome orientation, communication, structuring, and customer satisfaction. IJV organizational culture is the result of the integration of the two parents' cultures. IJV organizational culture studies are important because its creation and evolution are associated with identification with its parents' organizations. The cultural differences may create ambiguities in the relationship between IJV partners which may lead to conflict and even dissolution of the venture (Barkema and Vermeulen 1997). Partners with dissimilar organizational cultures consume more time and energy to integrate their practices than organizations with similar organizational cultures (Pothukuchi, et al. 2002). Knowledge transfer can play an important role in bringing the two partners closer to each other to achieve strong learning culture. The

effects of organizational culture dimensions on knowledge transfer will be tested in this study.

Chapter three discussed the methodology of the study. The sample is IJV operating in the UAE. The method data collection was chosen to be through the questionnaire method. The variables and measures of the study were presented. The method of analyzing the data was chosen to be the statistical programme SPSS. The statistical test methods were presented and the criteria for rejecting or accepting the hypotheses were presented.

Chapter four presented the results of the survey. The chapter concludes that national culture has mixed influence on knowledge transfer. Differences in individualism-collectivism and uncertainty avoidance orientation have negative impact on knowledge sharing; whereas, difference in power distance orientation between IJV partners has positive impact on knowledge transfer. Organizational culture was also shown to have a significant impact on knowledge transfer. Specifically, result oriented, job oriented, and tight control system oriented IJV were shown to positively impact knowledge transfer between IJV partners; while, the study did not provide significant results for the other three organizational dimensions. Transfer of explicit knowledge was affected more by organizational culture than national culture. However, it was not possible to predict the cultural impact on tacit knowledge. It was also shown that organizational culture has greater impact on knowledge transfer during the maturing phase of IJV.

Chapter five presented the implications and recommendations for both IJV managers and organizational researchers. The study emphasized the role of social interactions between IJV staff and frequent meetings among managers. It also suggested more flat organizational structure to facilitate horizontal and vertical communication. Offering job security was suggested as an option to increase employees' engagement and knowledge sharing. Moreover, superior information management system is seen as a crucial step to establish effective transfer of explicit knowledge. And joint group exercises were recommended to foster tacit knowledge transfer.

In conclusion, this study has shown that national culture has mixed impact on knowledge transfer. Whilst differences in individualism and power distance exert negative impact, uncertainty avoidance has positive impact. Moreover, organizational culture has significant impact on knowledge transfer especially during the maturing phase of the IJV. In particular, result and job orientations are the most influential organizational culture dimensions on knowledge transfer. The models of the study suggest that organizational culture is more important to study than national culture.

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APPENDIX 1:

Questionnaire Sample

QUESTIONNAIRE

Dear Sir/Madam,

This questionnaire gives you the opportunity to express your views on a wide range of issues related to joint ventures and organizational outcomes. Please note that there is no right or wrong answer.

The questionnaire will be used to collect primary data needed for a research study. The researchers assure you that no individuals will be identified from their responses and there are no requests for confidential information included in the questionnaire. The results of the analysis will be strictly used by the researchers for study purposes only.

The questionnaire comprises four parts:

1. Joint venture information
(One response is sufficient from each joint venture)
2. General information
3. Organizational culture
4. Knowledge transfer

When you finish providing your responses please email back to the researcher at maljawi@eim.ae

Thank you,

Researchers

INSTRUCTIONS:

1. Please do not write your name anywhere in the questionnaire.
2. Respond to all statements.
3. Indicate your response by ticking the suitable box.
4. There are no wrong or right answers. It is your opinion that matters.
5. For part 3 and 4, please indicate to what extent you agree that the statements are a true description of your work and work environment.
6. You can give only one answer to each statement

PART ONE: JOINT VENTURE INFORMATION:

Please tick one answer for each question (One response is sufficient from each joint venture)

1.	Size of the joint venture:	(1) Fifty employees or less ()	
		(2) 51 – 300 ()	
		(3) 301 – 1000 ()	
		(4) More than 1000 employees ()	
2.	Age of the joint venture:	(1) Three years or less ()	
		(2) 4 – 9 ()	
		(3) 10 – 15 ()	
		(4) 16 – 21 ()	
		(5) 22 years or above ()	
3.	Nature of the Business	(1) Retail ()	
		(2) Food and Agriculture ()	
		(3) Manufacturing & Industrial ()	
		(4) Oil and Gas ()	
		(5) Utilities ()	
		(6) Construction & Infra-structure ()	
		(7) Others:	
4.	Partners (Parent Organizations):	Country of origin	Equity sharing

	1-		
	2-		

PART TWO: GENERAL INFORMATION

Please tick one answer for each question:

1.	Sex: (1) Male () (2) Female ()
2.	Education: (1) High school or less () (2) High Diploma () (3) Graduate Degree () (4) Masters or above ()
3.	No. of years worked in current organization (1) One year or less () (2) 2 – 7 () (3) 8 – 13 () (4) 14 – 19 () (5) 20 years or above ()
4.	Job Status (1) Top level () (2) Middle level () (3) Lower level () Job Title:
5.	Department or unit you work for (1) Marketing, Sales, and Finance () (2) Strategic Planning () (3) R & D () (4) Production & Technical Fields () (5) Support Functions: Admin, IT...etc ()
6.	Nationality

	(1) UAE	()
	(2) Others (Specify:)	()

PART THREE: ORGANIZATIONAL CULTURE

Please indicate to what extent you agree that the following statements are a true description of your work and work environment:

S.N.	Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1.	The work is performed faster in this organization					
2.	Employee are encouraged to take initiatives					
3.	Style of dealing with each other is informal					
4.	Decisions making is centralized in a single person, level, job, and/or department					
5.	There is little concern for personal problems of employees					
6.	Organization is interested only in the work of employees					
7.	People's private life is treated as their own business					
8.	Job competence is the only criterion in hiring people					
9.	In this organization, we think (plan) three years ahead or more					
10.	Only specific kind of people fit in the organization					
11.	Organization is closed and secretive					
12.	New employees need more than a year to feel at home					
13.	Everyone is cost-conscious					
14.	Meeting times are kept punctually					

S.N.	Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
15.	Employees always speak seriously of organization and job					
16.	The ethical and honesty standards in this organization are very high					
17.	Major emphasis is on meeting customer needs					
18.	Results are more important than procedures					

PART FOUR: KNOWLEDGE TRANSFER:

Please indicate to what extent you agree that the following statements are a true description of your work and work environment:

S.N.	Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
1.	The local and foreign staff have learned to jointly execute marketing, R&D, or production operations					
2.	The local and foreign staff have learned to exchange skills, know-how, or technologies with each other					
3.	The local staff have gained new technologies, competencies, or techniques from the joint venture					
4.	The foreign staff have gained new ideas or skills from this joint venture					
5.	New personnel can easily learn their job by studying a complete set of blueprints					
6.	New personnel can easily learn their job by talking to experienced personnel					

S.N.	Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
7.	New technology, techniques, best practices, or management principles are communicated through documentation methods					
8.	New technology, techniques, best practices, or management principles are communicated through coaching/mentoring methods					
9.	The JV management encourages the local employees to learn and acquire foreign partner's knowledge					
10.	The JV management has provided the necessary resources needed to support the acquisition of knowledge from the foreign partner					
11.	The procedures, guidelines, and training programs provided by the foreign partner have been very helpful for this JV					
12.	In the last three years, the foreign partner has offered a lot of formal training programs such as seminars and lectures to the local staff					
	Since the establishment of the JV, knowledge is transferred from the foreign partner to the local partner through the following methods:					
13.	g) Reading and understanding training materials supplied by the foreign partner.					
14.	h) Using manuals prepared by the foreign partner on how to undertake different activities.					
15.	i) Applying rules and standard operating procedure specified in writing by the foreign partner through memoranda and other documents.					
16.	j) Interacting closely with the foreign staff					
17.	k) Collaborating closely with the foreign staff in solving problems or in conducting joint projects (e.g. developing new products or a promotion campaign).					

S.N.	Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
18.	l) Observing how the foreign staff solve problems or make decisions.					
19.	Employees can freely access the to the majority of document, information system, and knowledge within organization					
20.	Employees voluntarily share individual know-how, effective information with each other					

Appendix 2:

Sample of the Invitation to Participate in a Survey

Invitation to Participate in an Academic Survey

20 February 2009

Dear Sir/Madam,

I invite you to participate in an academic survey. The survey is titled "Impact of Cultural Variations on Knowledge Transfer in Joint Ventures". This is a study for my MSc dissertation.

The purpose of this research is to examine the impact of national and organizational cultures on the process of knowledge transfer between joint venture's partners.

Your joint venture is selected among others in the UAE because this joint venture satisfies our research requirements. I know that this is a busy time of year for you, but I hope that you will take just a little time to participate in this brief survey. Your answers will be completely confidential.

The British University in Dubai has approved this research study. A copy of this approval is attached.

To participate, please complete the attached questionnaire and return by email to maljawi@eim.ae

Thank you in advance for your participation in this important survey.

Sincerely,

Mohamed Aljawi

MSc. Researcher

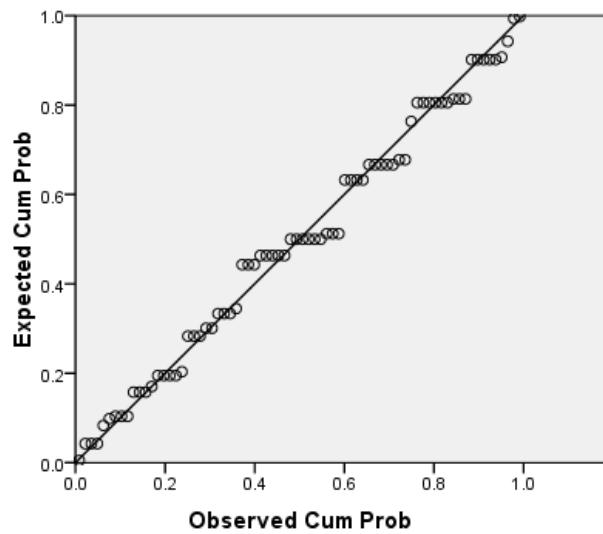
APPENDIX 3:

Linearity Curves for Study Variables

Appendix 3. Linearity Curves for the Study Variables

Normal P-P Plot of Regression Standardized Residual

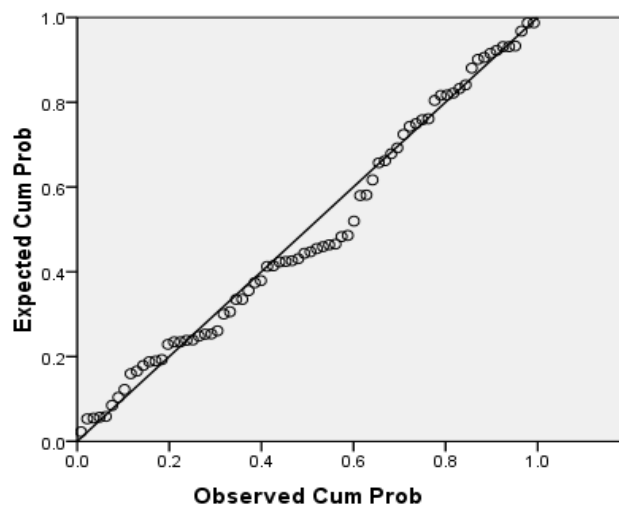
Dependent Variable: Ex_Tacit_adjust



Model1 1: National Culture dimensions

Normal P-P Plot of Regression Standardized Residual

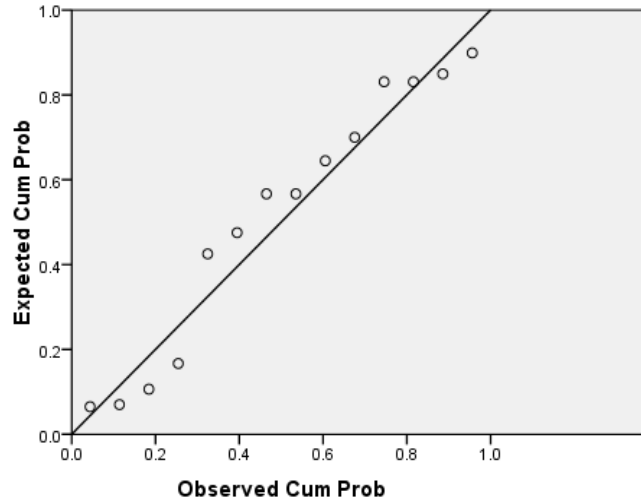
Dependent Variable: Ex_Tacit_adjust



Model 2: Organizational Culture Dimensions

Normal P-P Plot of Standardized Residual for Selected Cases

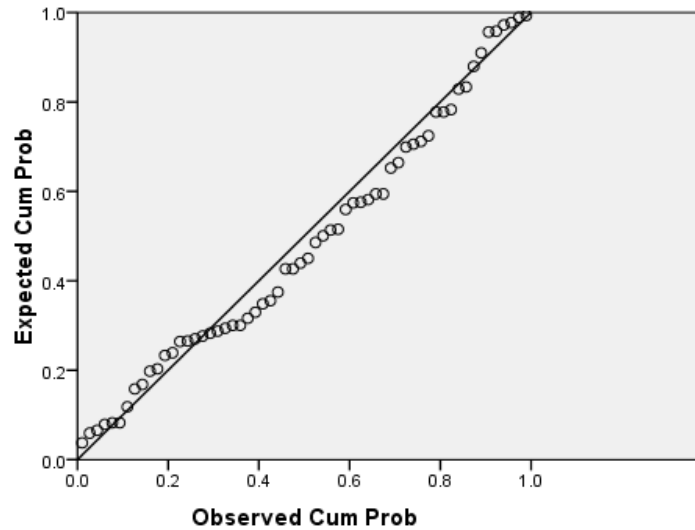
Dependent Variable: Ex_Tacit_adjust



Model 4a: Organizational Culture when IJV age < 3 years

Normal P-P Plot of Standardized Residual for Selected Cases

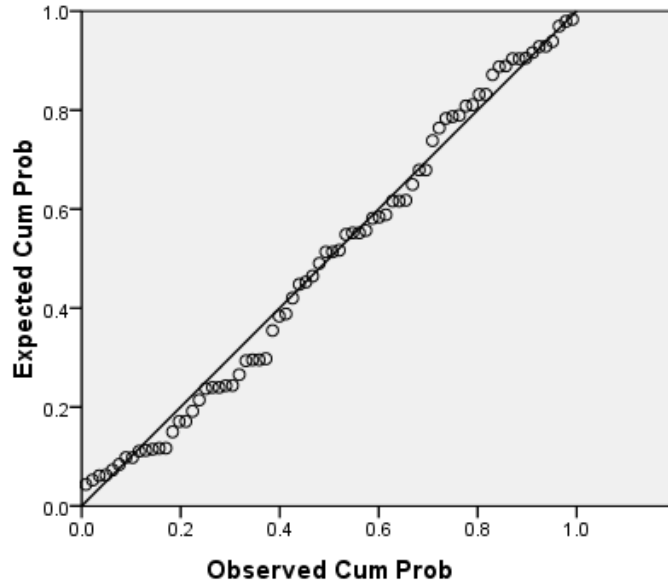
Dependent Variable: Ex_Tacit_adjust



Model 4b: National & Organizational Culture When IJV age is > 16 years

Normal P-P Plot of Regression Standardized Residual

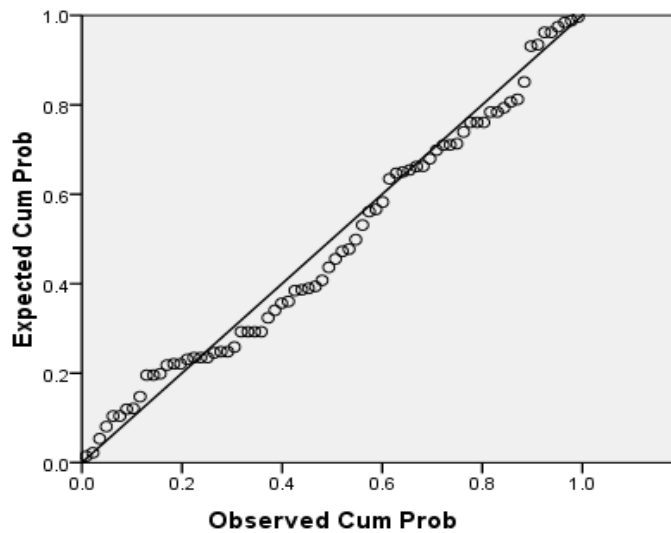
Dependent Variable: Explicit_adjust



Model 3a: National culture and organizational culture with Explicit dependent variable

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Tacit_adjust



Model 3b: National culture and organizational culture with Tacit dependent variable