

Investigation of contextual factors in shaping HR approaches and determining the success of international joint venture projects: Evidence from the Canadian telecom industry

Nathalie Drouin ^{a,*}, Mario Bourgault ^b, Susan Bartholomew Saunders ^c

^a *École des sciences de la gestion, Département de Management et Technologie, Université du Québec à Montréal, P.O. Box 8888, Station Centreville, Montreal (Quebec), Canada H3C 3P8*

^b *École Polytechnique de Montréal, Department of Mathematics and Industrial Engineering, P.O. Box 6079, Station Centreville, Montreal (Quebec), Canada H3C 3A7*

^c *Queen's School of Business, Queen's University, Kingston (Ontario), Canada K7L 3N6*

Received 28 September 2007; received in revised form 18 June 2008; accepted 1 July 2008

Abstract

Performance problems in international joint venture (IJV) operations have been linked to inadequate attention to human resource issues during the formation stage of IJV projects. However, little research has considered how HR approaches are brought to the strategic agenda during the IJV formation stage, and no research has investigated the factors that facilitate or impede the shaping of these HR approaches to improve IJV success. This paper analyzes seven IJV case studies and reveals some contextual factors that facilitate (or impede) the consideration of HR approaches in IJV projects, more specifically at the formation stage. Our results suggest that the shaping of HR approaches in the IJV formation stage is influenced by key individual, organizational, and cultural factors such as composition of the IJV team, firm's distribution of power and decision-making style, organizational frame of reference, and socio-cultural distance between IJV partners.

© 2008 Elsevier Ltd and IPMA. All rights reserved.

Keywords: International joint venture; Human resources; Project management

1. Introduction

International joint ventures (IJVs) and strategic alliances are important modes of entry into global markets [1–5]. Extensive research has resulted in two important observations in this context [6]. On the one hand, most research shows that, despite their increasing importance, IJVs often encounter performance problems and have notoriously low success rates [6–10]. On the other hand, recent works show that not all firms suffer from low alli-

ance success rates. In fact, firms exhibit significant heterogeneity in terms of overall alliance success, and some firms are much more successful than others at managing alliances or creating value from them [6,11,12]. However, in light of the growing prevalence of IJVs and the generally low success that firms usually achieve with them, academics and managers have become interested in understanding the factors that explain how firms develop alliance capability and achieve greater alliance success [6]. Researchers recognize that firms with greater alliance success are presumed to have alliance capability. Earlier studies on this topic suggest that greater alliance experience helps firms develop alliance capability and achieve greater overall alliance success [11,13,14]. Researchers have also linked successful (and failed) IJV implementation to human resource management aspects [15–20]. Yet, while human resource

* Corresponding author. Tel.: +1 514 987 3000x3463.

E-mail addresses: drouin.nathalie@uqam.ca (N. Drouin), mario.bourgault@polymtl.ca (M. Bourgault), sbartholomew@business.queensu.ca (S.B. Saunders).

problems are most noticeable at the operational level, many have been “planted” in the IJV formation stage long before the actual start of operations [15,17,21]. In practice, only a small amount of time is devoted to HR approaches in the IJV formation process. For example, Frayne and Geringer [20] estimate that roughly 4% of the entire time involved in creating an IJV is devoted to human resources issues. One of the challenges, therefore, in both academic research and management practice, is to shift the focus away from IJV operations and toward the *IJV formation stage* of parent firms in order to identify and address the roots of human resources management problems before they grow.

In addition, researchers such as Hoang and Rothaermel [22] and Kale et al. [12] have recognized the need to extend the existing research on alliances so as to understand other factors that potentially play an important role in alliance performance [6]. For instance, Anand and Khanna [11] suggested that firms with greater alliance experience achieved greater alliance success. They also observed significant fixed firm effects in explaining a firm’s alliance capability [11] and emphasized the need for future research to explore the organizational determinants of this capability. Kale et al. [12] investigated this aspect and found that having a dedicated alliance function responsible for overseeing and coordinating the firm’s alliance activity was positively linked to greater alliance success. An alliance function is essentially a structural mechanism, in the form of a separate organizational unit or managerial team, that is responsible for managing and coordinating the firm’s alliance activity, which provides several benefits to the firm [28].

The above-mentioned research on the alliance function has gone a long way to explain a firm’s alliance capability and greater overall alliance success [6]. However, researchers have focused more on structural aspects of alliance capability and less on individual, organizational, and cultural factors and IJV formation stages.

The main objective of this paper was to understand the contextual factors that facilitate (or impede) the shaping of the HR approach during the IJV formation stage (i.e. at the project level). This exploratory research, based on our field investigation of seven in-depth case studies of IJVs in the telecom industry, allowed us to better understand the factors that facilitate or hinder the shaping of the HR approach as well as the implications for IJV performance of adopting the HR approach during the formation stage. Our results led us to propose several hypotheses for future research.

The empirical investigation was conducted in the telecommunications industry because of its highly international nature and the substantive number of international JVs in the industry in the 1990s. Another reason was the resurgence of joint ventures in recent years, especially in emerging markets such as China [30]. The remainder of the paper is organized as follows. In the next section, the case study method is summarized. The key findings and implications of results are discussed. A conceptual frame-

work is then presented that takes account of the contextual factors influencing the shaping of the HR approach during the IJV formation stage, and testable propositions are put forward to provide a basis for follow-up research.

2. Methods

2.1. Case study design and sample

As discussed previously, the research literature on JVs has not paid much attention to HR patterns or managerial behaviors associated with the parent companies of JV enterprises [20]. Given the current state of knowledge in the field, a theory-building approach through the use of case studies was deemed most suitable. It allows flexible examination of phenomena and proposal development. The goal was not to extrapolate findings from a sample to a population but to generate theoretically significant patterns and linkages. In addition, the multiple case study approach enables literal and theoretical replication, thus enhancing data validity [47,48]. Case studies were concentrated in a single industrial sector to allow greater focus on the influence of organizational context. JV formation in the development of telecommunications enterprises remains an important entry-mode for international firms to gain new technological knowledge and share the cost of new technology development. For example, Kale and Singh [6] found that alliances offer firms learning opportunities to develop their capabilities.

The sample was designed to enable examination of the possible influence of the IJV partner’s nationality on the nature of the HR approaches considered during the IJV formation process. Nationality of one partner was kept constant across the seven JVs (i.e. Canadian), while the other partners came from a wide range of countries. Two Canadian telecom firms, “CAN1” and “CAN2,” were selected as the focal firms for this study. An effort was made to select two firms with some organizational variability in terms of size, structure, and managerial style in order to focus on the influence of organizational factors. We measured *size* by the number of employees (CAN1: 72,896 employees; CAN2: 1500 employees) and total revenues (CAN1: \$US 14.5 billion; CAN2: \$US 418 million), both standard measures of firm size, in the year the JV was formed. Three IJVs were selected from CAN1 (located in France, Germany, and the USA) and four from CAN2 (located in India, Taiwan, and two in China), for a total of seven JV cases. Table 1 provides the details.

2.2. Data collection and analysis

Data was collected over an eighteen-month period in Canada, France, Germany, the USA, India, Taiwan, and China, using a combined method of in-depth interviews and archival research to enhance internal validity and accuracy of the data [49,48]. In-depth interviews were conducted with 35 executives from the seven IJVs, identified

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات