Master Thesis

Master's Programme in Strategic Management, 60 Credits

The Influence of Joint Venture Strategy on Employees' Commitment in International Companies

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Abstract

**Purpose:** The purpose of this study is to understand the influence of joint ventures on the employees’ commitment. Joint ventures are business agreements between two or more partners, which lead to the development of new strategic opportunities. Joint venture as a strategy includes business expansion, development of new products, or moving into new markets overseas.

**Design, Methodology & approach:** This study focuses on companies that have experienced and/or are experiencing a joint venture strategy. A qualitative methodology using interviews has been employed.

**Findings:** The findings show relationships between companies’ engagements during joint ventures and employees’ commitment. As part of the international company, the employees showed proudness toward their company. Employees were committed to their work, to their colleagues, and to their company itself. Employees’ commitment was found to change if there is a lack of communication, lack of a clear vision, or problems with responsibilities and task distribution. Each company has its own values, and the employees have their own where the latter believed that their values matched their companies. However, after entering the employees indicated that the companies’ values have changed due to the new changes, either based on certain projects or on the higher management level.

**Practical Contribution:** This study provides valuable insight’s regarding the internal planning for joint ventures. Companies should develop internal awareness before starting a joint venture, and prepare a comprehensive plan for all involved employees to inform them about the relationship, roles, responsibilities, communication channels in addition to other changes related to joint venture.

**Research limitations / implications:** This research has been designed to find how joint venture can affect employee’s commitment, and it’s not focusing on a particular sector or industry. Public entities (governmental sectors) are not included. The implications are derived from the findings, where management could reconsider the changes that touch the current values, environment, and the hierarchical structure resulted from implementing joint venture strategy.

**Practical implications:** The findings emphasize the need of establishing a widespread base of open communication that based on transparency in information flow between the management and the employees. Motivation and development are important in order to increase commitment among employees. Education and training regarding cultural differences can be valuable.

**Originality/value:** This research highlights how joint ventures influence employees’ commitment, which in turn drives performance and productivity in these settings. Employees’ commitment and joint venture topic have not been fully covered in previous research, therefore this study serves as a beneficial source of information for mapping joint ventures strategies within any company with different values for both employees and partners.

**Keywords:** Joint venture, employees’ commitment.
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Chapter 1 - Introduction

This introductory chapter provides a description and overview of the problem’s background and the proposed research question(s). The section will give information about the scope of the thesis, its purpose, contribution, delimitations, and central concepts.

1.1 Background

In 2007 a global financial crisis took place and affected tremendously the local and the international business negatively. This effect speared to reach too many companies around the world during the past decade, which created a global recession. That era was considered as a very challenging situation that led most of the business owners to find creative solutions to cease their losses and to begin gaining profits especially local the operating companies. The multi-national companies have managed to minimize such effect due to the fact that their sales and assets are spreading internationally which helped them to minimize the financial risks (Desai et al., 2007).

In the aftermath of the crisis, unemployment rates were skyrocketing and the accumulated debt of most companies increased dramatically. In general, many business-owners were looking for different solutions that enable them to pursue and maintain their current companies, therefore, this period was considered as an innovative era where innovative solutions were needed (Perez, 2013). Bergh (2013) mentioned that the crisis created critical risks to business-owners that made them engaged actively in the search for the appropriate solutions and design different strategies to bring back the sustainability, toward growth, leverage the performance, and to enhancing their operations.

A unified solution that was adopted by large companies was the cost-cutting strategy. This approach was successfully implemented and gave the opportunity to manage the extra expenses, however, it became an obstacle in front of the expansion whether within the national market or in the international markets (García-Benau et al., 2013). Another option was the Joint Venture (JV), which was considered the most suitable solution that would eliminates risks and generates opportunities toward business development, growth, and continuity. This collaboration was noted between small- and medium size companies that are trying to survive and develop new competitive advantages. JV became a common form of international expansion due to the fact that many foreign companies possess knowledge in special areas, such as using the latest technologies and expertise. In almost all forms of industries and sectors we find several companies that have established JV locally or internationally (Magnini, 2008). According to Killing (2013), JV strategy is preferable solution for many managers, because it gives the possibility to develop new markets, gain an access to raw materials, and resources, which possess special skills and competencies. Marino et al., (2008) consider JV is an opportunity to develop new concepts and products that can be produced from the new formation.

Commitment is considered a very sensitive matter, which should mutually exist between partners in order to have a successful collaboration. It is considered the key to reaching the desired goals and completing projects’ milestones without entering critical conflicts (Ertug et al., 2013; Kumar, 2012; Lin et al., 2013; Knippenberg & van Schie, 2000; Wong & Lui, 2007). Commitment between companies in partnerships is legally represented, however, according to Beamish & Lupton (2009)
Rawlins (2008) mentioned that employees’ commitment differs from one society to another. These differences are related to the knowledge-sharing level and the participation in decision-making process. Such gaps could lead to bigger problems, especially in JV-projects. Managers have a great role as well, where those who prevent such informational flow can minimize the level of commitment among the employees. On the other hand, societies that have higher knowledge-sharing approach have better conditions that make the partnership successfully implemented.

1.2 Problem Discussion

Previous research about joint venture strategy have been focusing on different areas that include (i) The relationship between the financial crisis and JV, (ii) The benefits of JV, (iii) Companies performance and JV, (iv) Markets that attract foreign business owners, (v) Cultural aspects and culture conflict, (vi) Managers trust and commitment, and (vii) The disadvantages of JV. A description of each area will be provided as follows:

(i) The relationship between the financial crisis and JV

As discussed in the background section, the financial crisis is considered as an opportunity and challenge for companies to innovate and develop their businesses to secure continuity and minimize risks. JV strategy is one of the best solutions that enable business-owners to gain a significant growth and develop diversity within their productions, as it allows companies to distribute risks between partners while using their resources toward innovative solutions (Akande et al., 2010; Killing, 2013; Bergh, 2013; García-Benau et al., 2013; Perez, 2013; Stuart, 2000). Cooper (2008) mentioned that the organizational growth and sustainability are the main areas of research during this period since the crisis effect touched the globalization strategies and the globalization of financial markets. This led most of the investors to diversify outside their home markets.

Geringer & Hebert (1989) mentioned that the relationship between any crisis and internal strategies in any company is a tight relation. When a crisis strikes the companies’ finance then they should start considering changing the current strategies and creating new ones, otherwise, an exit plan should be communicated. Geringer & Herbert (1989) stated that there are difficulties regarding the real evaluation of any JV or even regarding the predictions of final results before start delivering the tangible outcomes. However, several forecasted could be made based on their capabilities, resources, and timeframe.

Sales are considered a very important issue for all organizations. Increasing the sales turnover can be increased when the organizations sign a JV agreement, which allows them entering bigger and new markets. In certain countries such as U.S.A. the government gives a great financial support when it comes to JV because this business environment gives more opportunities for companies to have big participation domestically and internationally. JV between organizations from different countries considered a direct investment in the developing economy markets, however, the return on investment and profitability are typically the focus which gives an increasing recognition in the
society while organizations that create scale of economies and share risks and costs (Killing, 2013; Kamminga & Meer-Kooistra, 2007; Shah, 2015; Lane et al., 2001; Bergh, 2013).

Multi-national JVs are focusing on the cost-cutting strategy which contributes in capital-intensive industries. This would help them continually performing their operations via sharing risks, acquiring technological information, adapting new technologies in the production, and management expertise from other companies. Oil & gas, mineral extraction and metal processing, information technology, and automobiles industries, are basically the main industries that are dependent on the technology to word the same strategy. While the International financial institutions such as the International Monetary Fund, the World Bank, and the World Trade Company, have created policies for international joint venture, in order to facilitate the foreign ownership process and remove the restrictions on the international flow of capital. This aimed to give a strong encouragement for many companies to seek international strategic partnerships and to increase the chances of expansion and gaining more profits. These policies created a business climate that attracts the international investment, while the benefits are not only concentrated between the partners but it spreads to reach further aspects, such as government income (BenDaniel et al., 2002; Beamish & Killing, 1997).

According to Stuart (2000), JV helps in balancing the assets owned by different companies, especially if each company possesses strength in one or more areas within the product’s value chain. For example, one company has control over the distribution channels and the other has significant expertise in manufacturing certain product or service.

(ii) The benefits of JV

JV is a strategy that attracts many business owners because of the benefits they gain, such as, sharing cost and risk, having access to new technology and skills, new market and finding a competitive position. It is expanding and increasing internationally without specifying certain industries, however, the automobile industry shows higher rank than others. JV had additional value since the governments’ reliability became weak, many governments cannot promise the continuous support for their organizations as it used to be and leaving them to deal with their own projects solely, consequently, it became very risky for many companies to act without dividing risk and share resources with other partner(s) (Buckley & Dunning, 1994; Killing, 2013).

(iii) Companies Performance and JV

Lane et al., (2001) proposed a model that consists of testing the learning process and the performance during JV. Firstly, trust between JV partners is important to understand the new knowledge from the foreign partner. The second part is the learning structure, where the new structure affects the ability to absorb the new knowledge. Thirdly, the JV strategy should be followed with training, however, it requires new competencies, and these can affect the performance by slowing it. As a result, trust between partners’ influences the performance. Lyles & Salk (2007) found out that performance increases in case the knowledge-sharing approach is implemented and managed and shared properly. Fey & Beamish (2001) mentioned that performance increases if the partners have the similar organizational climate, and in case the partners from different climate then they should create their own. Kumar (2012) and Ertug et al.
referred to trustworthiness within the partnership increases the mutual cooperation that leads to better performance and in return, this leads to a successful partnership.

(iv) Markets that attract foreign business owners.

Kumar (2005) found that ventures are associated with the importance and dedication of growth and expansion in the target market since joint venture strategy offers a valuable flexibility. Regarding the human resource management (HRM), the merging is very important since its enable managers to identify the areas that need development across the company. However, the personal development view differs between the managers themselves and the HRM (Akuratiyagamage, 2005; Mamman et al., 2006).

Borgonjon & Hofmann (2008) found out that the answer to the question “Why would a company that has operated several successful wholly owned units in China for more than 15 years defy conventional wisdom by setting up a new and potentially risky joint venture (JV)?” The answer (s) can differ from company to company. It can be, for example, penetrating new markets, increase profits, distributing risks, create a new product, accessing special competencies and resources...etc. Julian (2005) mentioned that in China some potential Chinese partners are less likely to want to form JVs because they already have a strong market position, knowledge of the market, distribution networks, faster speed to market, and cost leadership generally Chinese enterprises have a lower cost structure. According to Akande et al., (2010) the South African market became a very attractive place for the big organizations from all over the world to establish several joint ventures projects between 1995-1997 such as General Motors, Donaldson, Lufkin and Jenrette Inc., New Africa Investment Ltd, Heinz and much more.

(v) Cultural aspects and culture conflict

Pothukuchi (2002) performed a study that focused on the Indian Market and found that cultural differences have effects on the organizational performance. The main analysis showed several effects derived from cultural conflicts and differences that led mainly to misunderstanding each other, conflict of power, delegations of the assignment and others issues. Hamel et al., (1989) found that different companies from different cultures encounter too many conflicts in terms of running the operations, standardization of products, the choice of usability and technology, and which partner should control the major decisions.

Foreign companies face another challenge such as adaptation in the new society, capacity to learn, the mutual goals, training, technology and managerial matters. Cultural conflicts are much known especially in IJV, however, companies became smarter in dealing with other cultures, where they study the new country before entering it as well as gaining an adequate knowledge from the local partner (Lyles & Salk, 2007). Choi & Beamish (2004) referred to the control management issues in the multi-national partner dominant management and the local partner dominant management should split control, this means to harmonize the activities between them. Park & Ungson, (1997) found out that partner nationality and the organizational dissimilarities between international companies did not affect the dissolution, and made companies last longer than domestic ventures, however, some complexities regarding the cultural differences have appeared. According to Li et
al., (2002) IJV-top management teams should work together to communicate the problems and to reach better decision-making flow.

Moving to another cross-national comparison and analysis, Wang et al., (2005) conducted a large-scale survey on managers from Asia and from western origins. The findings show that western managers have different approach and mentality when it comes to problem-solving matter and the usage of force to do the work as well they use the legalized power more than others. While from the Asian side managers have the tendency to compromise.

**(vi) Managers trust and commitment**

Managers contribute greatly in any company growth by showing their commitment and possessing special calibre, abilities and competences. However, their commitment toward the company and its partnership, allows them to utilize their capacities effusively. In this context, it is found that managers are firmly committed in the international environment more than working domestically on different assignments even if they include several trips (Suutari, 2003). Johnson (1999), pointed that the importance of the commitment in most cases is ignored or concentrated on the managerial level to measure the overall performance, profitability and the continuity of a partnership. Furthermore, he encouraged to define certain concepts and processes to explain the complexity of the JV to the managers from both parents to reduce the conflicts that may rise of different types of management, cultural differences, strategies...etc. Johnson (1999) highlighted the importance of these stages since managers are facing multiple ownerships, and multiple commitments confusion, and conflicts of loyalties.

Robson, et al. (2002) said that measuring performance in any JV needs deep analysis on multi-levels within the companies, which might include controlling the learning aspects, studying time period and geographical focus. While Beamish & Lupton (2009) found that monitoring managers’ performance or the JVs is a very hard task, however, there is a connection between the implemented strategies by managers that affects the employees. The performance can be measured by using the new technologies, and it is reflected from the productions and customers’ satisfactions that show good commitment internally. Kumar (2012) found out that managers commitment during the partnership leads to better performance, however big companies may face challenges due to the wasted time in implementing certain procedures and lack of clear objectives. Boersmaa et al. (2003) mentioned that trust influences the performance that can create solid development of increases the conflicts and proposed; the authorized trust – trust the leaders and their decisions; the natural trust – generated from the personal interactions between the individuals.

According to Park at al., (2002) examined the interpersonal trust and organizational commitment among the managers. They found that the newly merged or acquired companies have influence from their national origins and that commitment and trust between managers are has a higher level when companies are working in wholly-owned subsidiaries than having international joint venture (IJV). However, the choice of entry mode could influence the managers’ commitment and trust from different nationalities. Regarding the management style and performance, Lung-Tan & Yuan-Ho (2009) examined 82 senior managers from Asia to understand the differences between nationalities and performance. Their findings showed that cultural dimensions don’t have a great
impact on management style and performance, and these dimensions basically around power distance and individualism.

(vii) The disadvantages of JV

According to Peng & Shenkar (2002) the disadvantages can lead to “divorce” between partners. This divorce is often seen because the managers cannot contain the tension and stress. Hennart & Zeng (2002) found out that JV longevity between parents (companies) from the same culture last longer than the parents from different cultures due to less critical conflicts. Pothukuchi et al. (2002), Brannen & Salk (2000) and Akande et al., (2010) pointed out that cultural differences that lead to splitting and the performance in IJV are lower than the national JV based on the differences in cultures. The disadvantages of the JV differ since each partnership has its own approach, strategy, aim, and processes. However, the mutual goals considered achievable depending on the type of business, industries, and the managers’ responsibilities. For example, the involvement of two big companies that work with the latest technologies has more sophisticated JV structure and advanced skills than companies working in the fashion world.

JV in most cases focuses on the one and only target, which is increasing profits without communicating the objectives clearly to everyone (Killing, 2012; Smith & Parr, 2004; BenDaniel et al. 2002; Beamish & Killing, 1997; Stuart, 2000; Akande et al., 2010; Johnson, 1999; Killing, 2013; Kamminga & Meer-Kooistra, 2007; Shah, 2015; Benavides-Espinosa & Ribeiro-Soriano, 2014; Kumar, 2005; Borgonjon & Hofmann, 2008; Julian, 2005).

1.3 Research problem

As shown in the previous section, JV is attracting many researchers and most of the parts that have been covered can be summarized as follows: performance, managers’ commitment, partners’ commitment, cultural/managerial/political conflicts, sustainability, continuousness, longevity, profitability, special competencies, access to raw materials, penetrating new markets, access to resources, governmental regulations and rules and others depending on the type of business.

Lou (2002) found out that previous scholars were focusing on the critical factors in any JV, which are the company performance, contract, and administration. Geringer & Hebert (1989) mentioned that focusing on the company performance and the control are very important factors that contribute directly to the company success. The management usually focus on the strategic partnership and the managerial issues more than the performance and control. In the production areas the organizational growth, sustainability, and seeking diversity are top priorities for most managers, however, the differences between the purpose of the JV and the management style leads usually to increase the failure rate (Cooper, 2008; Akande et al., 2010).

After getting through previous researches around JV, it seems the research areas are very much diverse. However, we know less about how employees’ commitment changes toward the new organizational structure that has been developed due to the new partnership.

1.4 Research Question and Purpose

The research question in this thesis is: What is the influence of joint venture strategy on employees’ commitment in international companies?
1.5 Contribution
The contribution of this research is divided as follows:

**The Practical Contribution:** The practical contribution of this research is to provide descriptive and prescriptive information about employees’ commitment and joint venture strategies. This information provides managers with valuable insights about the possible conflicts and how they can affect internal commitment.

**The Theoretical Contribution:** This study contributes to advancing the conceptualization of employees’ role and draw on and contribute to scholarly work of literature that examine joint venture success factors and internal behaviours of employees.

1.6 Delimitations
This section aims to highlight the boundaries of this research during the preparation of this study. In line with Sim & Wright (2000) such a boundary statement “represents a reasoned response to certain issue outside the researcher control and is not necessarily a shortcoming with a study” (p.33). In this respect, delimitations help the researcher in concentrating on the research area and to stay objective (Simon, 2011).

The research area is focused on understanding the influences of JV employees’ commitment. However, the JV field is widely examined from different researchers around the world and they believe that this field still facing lots of challenges. The conflicts include cultural issues, ownership of control, government regulations, emerging policies, and others as described earlier. The population of the study is mainly the companies who have experienced joint venture strategy. The selected sample is two Swedish companies and two international companies, one located in Jordan and the second located in Canada. A qualitative approach has been employed as research methodology and data is collected via interviews (Hancock & Algozzine, 2011). More details about the selected research approach can be found in *Chapter 3 Methodology*.

The literature review focuses on the background of the financial crisis as one reason that led to increasing joint venture strategy worldwide. Joint venture articles and case studies, reviewing specific studies about partners’ commitment. This study will not describe how the legal systems are built and structured concerning joint venture. However, an overall description of the joint venture is discussed.

1.7 Central Concept
The central concept of this thesis is to understand whether there are certain level of influences and reflections behind implementing a joint venture strategy in a relation to employees’ commitment, in order to help companies and business owners to consider the “unseen area”. The research question will be answered clearly and unambiguously after the data collection phase is over.

**Joint Venture:** The definition that is widely approved and adapted by many theorists and researchers is: JV as a legal partnership between two or more companies for a specific period and for a certain purpose (Wolf, 2000; Leih, 2013; Narloch-Medek, 2010; Singh, 2007; Kogut, 1988; Chowdhury & Chowdhury, 2000), therefore, the same definition will be used in this research, since we agree that this description give the exact meaning and purpose, of course from the high-level perspective.
Employees’ Commitment: Most of researchers agreed that employees’ commitment is a behaviour that shows people’s willingness to perform certain course of action and fulfil the job responsibilities as well as other responsibilities toward community, family, and persons. Commitment has emotional elements that can affect workers’ commitment and loyalty, however toward commitment there should be a personal motivation intrinsically (Buchanan, 1974; Chen et al., 2002; Gonzaliz & Gullien, 2008; Riketta, 2002; Mowday et al., 1979; Larson & Fukami, 1984; Aziri, 2011; Meyer et al., 1993; Meyer & Herscovitch (2001); Papinczak, 2012; Rhoades & Eisenberger, 2002; Vance, 2006; Adams & Jones., 1999). To specify one definition to follow is hard since most of the mentioned definitions satisfy the need, therefore this definition covers the need in describing the employees’ commitment.
Chapter 2 - Frame of Reference

This chapter is designed to illustrate the literature that have been reviewed and recognized under joint venture strategies and discuss the employees’ commitment.

2.1 Joint Venture Theories

Kogut, (1988) explains the joint venture theory by saying that JV approach is a strategy adopted by two or more firms and a portion of their resources are gathered in the same pool to form a common legal company. JV mode includes transaction cost explanation that designing a frame on how firms should control and organizes their activities (two firms). In order to minimize the sum of production and transactions cost, while production cost varies between firms and the transaction cost is the outside suppliers. Since JV is an adjustable strategic approach, Kogut expounds how JV influences the competitive positioning of the firms by including the transaction cost and strategic behaviour theories under JV. These two theories mainly concentrated on cost and competitive positioning. In the international expansion, JV strategy is preferable as entry decision because its comply with governmental regulations especially in the developing countries because of the need for new technologies, market, expansion, product diversity, therefore government bargain on the control of the multinational corporation.

Chowdhury & Chowdhury, (2000) are siblings who developed the JV life-cycle theory for production to include Synergy and organizational learning, and Moral hazard. The developed theory define each par as follows:

“Synergy arises out of the complimentary competencies of the two partners firms. As discussed earlier, in case of joint venture involving a foreign multinational (MNC) and a domestic firm (especially from LDC) it appears that usually the MNC provides the superior technology, while the domestic firm provides a knowledge of local conditions, access to local distribution channel etc. Organizational learning, whereby the partner firms in a joint venture may acquire the other firms’ competencies, provides the second building block of our theory. In order to keep things simple we assume learning is both sided and symmetric.10 Thus after learning occurs, the MNC can supply labour more cheaply than before, while the domestic firm can supply capital more cheaply. Moral hazard, whereby we assume that inputs levels are not contractible, forms the third component of this theory. Thus if a joint venture forms, then the partner firms cannot write a contract over the quantities of the inputs to be supplied. Hence, both the firms have an incentive to free ride on the other, leading to a coordination cost for the joint venture” (Chowdhury & Chowdhury, 2000, p.11-12).

By looking at another IJV theories, it is obvious that they don’t differ very much from each other; however, Yan & Lou (2001) have been very smart in developing a book that describes IJV theories and practices. “Equity joint ventures are legally and economically separate organizational entities created by two or more parent organizations that collectively invest financially as well as another resource to pursue certain objectives.

Interfirm contractual relationships such as licensing or franchising do not involve shared equity or joint capital investment by the participating firms, whereas corporate mergers and acquisitions result in a complete combination between two firms without creating a new company existing in
parallel to the merging firms. In comparison to the contractual forms of Interfirm Corporation, joint venture represents a longer term collaborative strategy” (Yan & Lou, 2001, p. 3).

JV and IJV are totally similar in terms of purpose and goals; however, IJV involves firms from different countries that operate nationally and internationally. As described by Yan & Lou (2001) IJV is basically a great strategy that give competitive advantage throughout sharing logistical positioning, resources, technologies, capital and people. The knowledge sharing is a vital process during IJV because it allows local firms to receive a unique and latest knowledge that help them in developing the production and enhance the performance.

The reason of formation: As observed, most of IJV stories are “between partners from developed and developing countries” (Yan & Lou, 2001, p. 6). This formation has many differences such as, the accounting, taxation systems and cultural aspects. Cheap labours are a good reason on both levels managers and workers for the firms from the developed countries. Moreover, governments have a great role in backing up IJV within the country by the insistence approach for developing multinational firms that make direct foreign investment and that can be associated with products and value chain. Governments push to equity JV rather than wholly owned subsidiaries, for the foreign firm and alliance with a local firm is a strategical key to penetrating this market, while for the local firm it means access to knowledge, technology and greater capital that leads to greater profit. Another reason that leads to IJV formation is gaining access to the markets located overseas, this reason is considered as the classical reason which most of firms looking to expand their business all over the world. By gaining such access, the foreign saves a lot during the market research to understand the customer behaviours, distribution channels, marketing strategies and other practices that are effective in other countries.

Risk sharing is another important reason which leads to share capital if partners have mutual project that needs large financing, so in this case partners share and handle it together instead of having all the heavy carriage by one firm. Risk sharing also contains political risk, which means when a country has unstable situation or unfriendly environment the foreign firm share this risk with the local firm.

Yan & Lou (2001) highlighted as well the need of competitive strength that reduces cost. This applicable by creating a team that has knowledge in a certain area which makes it easier for the other partner to proceed with the development and utilizing this knowledge instead of investing on creating the needed knowledge which takes naturally time and money.

The authors as well, mentioned the cultural aspects and differences between those firms lead to creating internal challenges such as “employer-employee relationships, mutual expectations differ in different cultural context” as illustrated by Yan & Lou (2001, p. 6) “Motorola in china found that it had to be engaged in building apartment buildings for employee families, a business that the company had never done before elsewhere in the world”.

Theoretically, the inter-organizational interdependence is what joint ventures are made to manage between partners. The interdependence can be the mutual reliance for complementary resources and mutual needs for maintaining and managing existing Interfirm linkage (Yan & Lou, 2001, p.
12). This supports the resource dependency theory that says no firm can survive by itself but it needs different relationships to keep developing and existing.

Strategically, joint ventures increase and enhance the competitive positioning in the market, this concept leads to increase the profits through improving their positioning and enhancing their asset value. The impact of such joint ventures enables managers to have the ability to enhance their firm and build a solid structure that enables the firm to compete. Internationally transaction costs theory proposes that firms choose joint venture for the same reason and it is considered as a successful entry mode that focuses on increasing profits more than minimizing costs.

Regarding the joint venture and commitment, Yan & Lou (2001) confirming that finding the right partner is very important. The feeling of commitment should be mutual because it is considered a vital element to success. According to them even if the partner has all the needed competences and capabilities but missing the commitment factor then the entire JV can face difficulties that threaten its existence. Both partners should share the willingness to invest time, energy and resources toward their project. “Without commitment, compatible goals and commensurate risks remain uncultivated” “a partner’s commitment also affects on-going trust building and maintenance”, “commitment counters opportunism and fosters corporation” Yan & Lou (p.34).

2.1.1 Types of Joint venture
Saboor (2011) described in his article that there are three types joint venture is divided as follows:

1- Contractual joint venture; this agreement, is suitable for short term projects and the focus is on providing services, sales and/or marketing and this relationship can be under a certain date or certain event.
2- Corporate joint venture; under this agreement, a new corporation reformed which is considered independent from the co-ventures’ respective businesses.
3- Unincorporated joint venture, its similar in concept to corporate joint venture by set-up new and independent legal entity, however, the difference is in the structure since its structured as limited liability company or limited partnership.

**However, Joint venture can be reformed based on:**

1- Equity-based joint ventures benefit foreign and/or local private interests, groups of interests, or members of the general public.
2- Non-equity joint ventures (also known as cooperative agreements), which means the parties seek technical service arrangements, franchise and brand use agreements, management contracts, rental agreements, or one-time contracts, e.g., for construction projects. Participants do not always furnish capital as part of their joint venture commitments. (http://www.referenceforbusiness.com/small/Inc-Mail/Joint-Ventures.html, 2015).

2.2 Commitment Theories
Theorists generally agree that commitment has to do with the consistent pursuit of a line of action over the long run, such as the continuation of a relationship by taking the decision to continue. However, there is a motivation involved in the commitment process, which makes two or more partners decide to move further in their relationship (Adams & Jones., 1999). This will say that
commitment needs motivation in order to take the decision, therefore a review of a Cognitive Evaluation theory will be discussed since it describes the motivation and links it to the commitment theory (Gagne & Deci, 2005).

The Cognitive Evaluation Theory clarifies the influences of the outside motivators on the inside motivations (extrinsic and intrinsic). At the beginning, this theory explains as well the external factors that lead to increasing or decrease the motivation for employees, such as, rewards that are tangibles, deadlines, evaluations and surveillance. Some external factors can influence the intrinsic motivation such as the possibility to choose tasks and the engagement. Intrinsic motivation has as well connection with the inner feelings of the persons such as the feeling of competence and self-sufficiency. In a different type of research, this concept was support by the result that showed that challenging activities give higher motivation, as well receiving a positive feedback help in increasing the sense of competence that reflects on their performance positively, while negative feedback decreases the sense of competence. The reason behind creating this theory was based on the assumed need that assumes “people need to feel autonomous and competent, so social-contextual factors that promote feelings of autonomy and competence enhance intrinsic motivation, whereas factors that diminish these feelings undermine intrinsic motivation, leaving people either controlled by contingencies or motivated” (Gagne & Deci, 2005, P.332).

During the development of this theory and the performed analysis, it showed a confirmation of the relationship between intrinsic motivation and the extrinsic motivators (positive feedback, tangible rewards), and the testing conducted considering work-related tasks, where employees when they receive their, for example salaries or bounces, their intrinsic motivation level remains high. The same results found when a set of tangible rewards were given based on the quality performance, the intrinsic motivation for employees increased. Other extrinsic factors that influence the intrinsic motivation found in the research are competition and evaluation; these affect employees and can be associated with the creativity level, problem-solving skills, and the flexibility (Gagne & Deci, 2005).

Gagne & Deci, (2005) presented two main theories related to the organizational commitment. The first theory was developed by O'Reilly & Chatman, (1986) and they referred to Kelman’s (1958) classification to differentiate three forms of organizational commitment, “(a) identification with the company, (b) internalization of the company’s values, and (c) compliance” (Gagne & Deci, 2005, p.344). This theory present its findings by showing the connection between the commitments based on the internalization, identification and prosocial behaviours, which means that employees who perform extra work, which is not listed in their job descriptions, are related to the identification and internalization within the company.

The second theory was identified by Meyer & Allen (1993); “Affective commitment refers to employees’ identification with, emotional attachment to, and involvement in the company” (Gagne & Deci, 2005, p.344). This theory has a link with cognitive evaluation theory that supports the intrinsic motivation of the employees creates effective commitment, which means that employees feeling committed to the company, and accepting its goals, as well having the sense of engagement.
2.3 Definitions

2.3.1 Joint Venture (JV)

Joint venture whether international or domestic is considered as legally incorporated partnership between companies to perform business and it’s legal and stable for a specific term, usually indefinite and has economic independence and lawful commercial purposes (Wolf, 2000). However, the Joint venture can be achieved through various methods and adopt multiple forms, the International Joint Venture take place when at least one of the parties is not a citizen of the country while if both are citizens of one country then this called domestic joint venture (Wolf, 2000). While Leih (2013) made a short study concerning the definition and showed how previous researchers described it, and he found that JV in all cases refers to the creation of new legal entity by merging two or more companies and the companies integrate a certain amount of their assets in this partnership. According to Akande et al. (2010) JV varies based on the concept, shape, purpose, and even in the implementation process. However, the standard formation explain it as an association of two or more natural or legal persons (international companies) from different countries, and local legal persons (local companies), which leads to combining properties and expertise in order to carry out a single business enterprise which consist of a joint proprietary interest, a joint right of control, and a sharing of profits and losses.

However, employees are humans and their behaviour can be shaped by their culture, the companies’ culture, and many other factors. This led to investigate the most popular aspects of employees’ behaviour in general. Vance (2006) illustrated the meaning of employees’ commitment and engagement and what affects them, he explained commitment as the willingness to perform a certain course of action because of having the sense of obligation, in other words, employees committed as persons have multiple commitment toward their companies, families, societies, religious, etc. In connection with their jobs, people are committed to spending their energy and time to fulfil their obligations. Moreover, commitment has a strong association with people’s emotion where feelings toward the entity or even other individual affect the level commitment. Vance (2006) describes further the commitment as an investment, where organizations provide it throughout, job security, and fair compensation, however there are many big companies that measure the engagement of their employees based on certain themes within their organizational structure.

In the study conducted by Narloch-Medek (2010) found out that Joint Venture is a partnership of two or more firms that contain a combination of resource, which considered as the capital, contain technology, property rights, knowhow or assets. The Business Dictionary website described it “New firm formed to achieve specific objectives of a partnership like temporary arrangement between two or more firms. JVs are advantageous as a risk-reducing mechanism in new-market penetration, and in pooling of resource for large projects. They, however, present unique problems in equity ownership, operational control, and distribution of profits (or losses)

Invalid source specified. Another view on how JV can be discussed is based period and purpose, as Singh (2007) defined JV as whether long or short-time agreement that includes risk and benefits of sharing knowledge, skills, resources, capabilities…etc., between two or more parties, this merger leads to create common goals whether its new or old ones and try to achieve it.
2.3.2 Organizational Commitment

Organizational commitment can refer to identification, involvement, and loyalty (Buchanan, 1974). According to this, identification refers to the adoption of organizational goals and values by a person who is working for an organization. Involvement refers to a person’s participation in the companies’ activities and to act as a decision maker or to be directly involved in the company’s strategy formulation process and their objectives. Loyalty refers to the concern and commitment of his or her company (Buchanan, 1974). However, the definition of the organizational commitment is well defined as the psychological attachment of workers to their organizations, and its level varies depending on the relationship between the company and its employees, which affect the outcome based on job satisfaction, motivation, and performance (Chen et al., 2002). On the other hand Gonzaliz & Gullien (2008), presented their definition “A force that binds an individual to a course of action or relevance to one or more aims” (Gonzaliz & Gullien, 2008, p. 402), while Riketta (2002) stated that it is the individuals’ strength within a particular company that have impact on the outcomes by defining the involvement of these individuals. Organizational commitment has interested and attracted many researchers to examine whether employee’s commitment has a positive or negative effect on performance (Mowday et al., 1979).

For many years, organizational commitment has been an often-used case study, as it was considered to positively influence performance (Larson & Fukami, 1984; Maanen, 1975). Therefore it is believed that employees who are committed to their company will perform better than employees that are less committed. Some other researchers studied and investigated employees’ commitment in the private and public sector, and the results, which have been found in these studies, are mixed and show some differences in organizational commitment between employees in the private sector and employees in the public sector. However, employees working in the public sector are less committed than employees working in the private sector (Gortner et al., 1987). Managers’ or employees’ loyalty is one of the most significant factors that directors, in particular, must have in mind. Commitment is usually measured with the loyalty questionnaires and can cause serious negative consequences when not at a high level because less commitment means less performance (Aziri, 2011).

Meyer & Allen (1993) state that committed employees will work harder to achieve the company’s goals and reduce costly turnover. Papinczak (2012) investigated the perception of job satisfaction relating to affective organizational commitment, he found that affective commitment impacts significantly on factors considered important by employees, such as absenteeism, work performance, and staff retention. Another study performed by Audrey & Harry (2002) examined the relationship between international joint venture parent firms and the international joint venture. They studied how IJV and parent involvement in strategic decision-making influences the IJV management team’s commitment to the IJV and to the parent firms. The result from this study found that that commitment would be positively affected by perceptions of procedural justice and decision control, and that the impact of procedural justice would be stronger when decision control was low. They hypothesized that procedural justice has a greater impact on the levels of commitment to the parents than to the international joint venture. The data for this study was been collected from the management teams of 51 international joint venture companies.
Rhoades & Eisenberger (2002) have studied more than 70 studies and they found that commitment, loyalty, and performance are increased when employees have the feeling of being appreciated for their contributions, therefore, fair organizational procedures and support are needed to enhance the relationship between the company and the employees. In China trust has a different shape because it is directly associated with the employees’ commitment. Commitment comes to the line managers and finally it impacts both the performance and organizational citizenship behaviour (Wong & Lui, 2007). Focusing on the managerial level in China had been a major issue and job satisfaction has been associated with the burnout at work which leads either to high emotional stress and low job satisfaction and high turnover or the opposite (Lin et al., 2013).
2.4 Concluding Summary

The frame of reference chapter was designed to illustrate some of the available theories and definitions related to the joint venture as a strategy and the organizational commitment of the employees. Based on these theories the research model could be simplified as follows:

Figure 1: Research Model

![Research Model Diagram]

The first line of the model describes the joint venture strategy after defining what the area that company A wants to develop is. The second step is to identifying the partner, after this stage there will be communications and negotiations about defining the main objectives, goals, rules, and the financial aspects. The last step is the formation where resources from both companies are getting engaged toward the main purpose, however, Kogut, (1988) mentioned that the formation process is generally unified, it could be changed and adjusted. During each phase the company’s management communicate with its employees its new vision and mission, which is represented in this model under each phase as the knowledge-sharing, communicating JV objectives, understanding the emotional attachments, and the intrinsic-extrinsic motivation. The base layer represents the influence of information on the employees’ commitment.
3 Chapter 3 - Methodology

This chapter provides information on the research methods of this thesis, explain the sample selection, describe the procedure used in collecting the data, and provide an explanation of the analysis procedures used to analyse the data.

3.1 Research Design and Approach

3.1.1 Introduction

There are different methods that any researcher can choose from, depending on the type of research. The main methods are the Qualitative Method, Quantitative Method, and the Mixed Method. To be able to identify which methods suit any research, it should be selected after understanding the nature of the research and the purpose (Randolph, 2008; Johannesson & Perjons, 2012). The qualitative method is effective in obtaining culturally specific information about the values, opinions, behaviours, and social contexts of particular populations. The quantitative method is a sophisticated procedure of testing, verifying and proving certain research hypotheses, which lead to reach a result about certain theory and decide whether it’s true or not in order to generalize it. While the mixed method is mixing qualitative and quantitative data and methods, and the reason behind including both approaches in order to strengthen the result and provide strong evidence, moreover this approach contains open-ended questions during an interview, which lead to developing an adequate view of the feelings associated with the personal experience (Creswell 2007; Randolph, 2008; Bryman & Bell, 2015; Porta & Keating, 2008; Golafshani, 2003).

3.1.2 The selected Method (Qualitative)

Due to nature, aims and the objectives of this study the qualitative research method has been adopted. Because the qualitative research approach helps in understanding the JV and commitment phenomenon as it is from “the real world settings” (Golafshani, 2003, p. 600). The analysis of the received information is considered as a joyful process, where gathering different knowledge from interviewing the participants gives more details than expected. The strength of qualitative research is its ability to provide complex textual descriptions of how people experience a given research issue which is the commitment. This method allowed the researcher to create a direct contact between the participants and the researcher in a collaborating environment, where the location, the used materials, and the interpretation made the world visible for the researcher (Eritchie & Elewis, 2003).

3.1.3 Data Collection Method

According to Randolph (2008) and Bryman & Bell (2011) interviewing the participant is an effective process that facilitates the data collection procedure and aims to obtain deep knowledge and detailed information about certain phenomenon throughout direct contact and open communication with the interviewee. Therefore, the researcher adapted the In-depth interview strategy, which is considered as the optimal way for collecting data on individuals’ personal histories, perspectives, and experiences, particularly when sensitive topics are being explored.
The variety of the collected data is important in order to be collected credibility from different audiences. This approach has strengths, such as, the richness of data, more clarifications, gives the ability to obtain important information that other methods don’t facilitate, a large amount of data, freedom of discussion, a variation of the options, and it leads to generate a new idea. On the other hand, there are few weaknesses with the interview approach, such as, time-consuming, takes high effort as part of the preparation process, there might be some differences derived from the answers that can lead to inconsistency and sift out data is time consuming. There are different types of interviews the structured interview, the unstructured approach, and the semi-structure interviews (Randolph, 2008; Denscombe, 2003). In this research, the semi-structure and the unstructured interview have been considered. As pointed out by Denscombe (2003) flexibility in collecting the data is very important and interviews considered the very flexible method, where participants have the opportunity to correct, adjust and add more details and develop more ideas.

**The unstructured approach**, where it doesn’t follow any predefined questions and always starts with an open questions and continues in that path, however as the researcher go on with the question there will be a progress on the case, however it is time-consuming because it can take very long time until the researcher get an answer which may consider a core answer and directly related to the research topic, however it can be a good way when there is a new topic and deep information is needed.

**The semi-structure interviews**, which are the combination of both structured and unstructured interviews. There are several pre-defined questions that directly point the matter of the research and from these question, a researcher can develop further question which considered as useful because it gives the ability to elaborate more on the answers (Gill et al., 2008). This means that the researcher is not only limited to the proposed questions, but it can lead to other questions during the interviews. It is as well considered a suitable choice because it allows the researcher to get thick and rich descriptions from the participants. It helped in exploring the personal views, experience, inner beliefs, and highlight the motivations. This method gave as well the ability to build a theory at later stages related to the phenomena.

**The structured interview** is similar to the questionnaire conducted in the quantitative method but the difference is that the researcher verbally asks the participants face-to-face.
3.2 Literature Search

The literature review phase has been conducted by reading and examining several sources about JV strategies and IJV. After finishing the research question formulation, the research for previous academic literature was narrowed down to find the influence of JV on employees’ commitment. Bryman & Bell (2011) proposed a guidance that provides help for researchers to find the most suitable literature during the research process and it’s concentrating on the main keywords that facilitate the search process. The importance of the keywords is to identify the best match references and present them. Language and synonyms are as well important in order to avoid get results from different resources that are not useful. All of these methods are aimed to identify the most accurate term to describe the subject of the research. The following keywords were used in defining search parameters:

Joint venture approach, JV strategies, JV vs IJV, organizational commitment, obstacles that face JV, companies growth and JV, JV definition, commitment definition, organizational performance and JV, employees commitment and company performance, JV benefits, JV types and structures, Financial crisis 2006, the implication of the financial crisis, JV and the financial crisis, JV as a salvation for companies, countries with high rates of JV, International JV, trust relationship during JV, innovation and JV, JV theoretical approach, JV successful factors, financial crisis and sustainability, globalization and JV, strategic alliance and many more.

During the literature search and study, the researcher has reviewed and an adequate number of previous researcher, books, and articles that have a direct relation with the subject, to enrich the knowledge and understanding about the commitment, organizational commitment and employees’ commitment. The academic databases used during the research are: The e-libraries of Halmstad University and Stockholm University, dissertations databases, and Internet search engines were relatively topic in the joint venture topics and its connection with the financial crisis from one side to employees’ commitment from the other side. The general internet engines for researchers were; Google books, Google scholars, and other related websites that covered under their academicals sections similar topics, such as, the guardian, BBC, economist.com, entrepreneur.com…etc. Under the method chapter, an adequate revision of the most popular books that described the research methods and models. The primary source for data collection is the interviews and direct communication with the employees from different branches and locations.

3.3 Participants / Sampling

Bell & Emma (2015) mentioned that the sampling is the selection process of the individuals for a study, where these individuals represent a larger group that they belong to. In this respect, the population that is presented in this study consist of people whom are working in an international company that has joint venture strategy as part of their existence. The basic rule behind the sampling is that the collected data has the possibility to be generalized over the larger population. However, generalizations rules and standards may not apply in this study. Creswell (2013) has mentioned three main matters that are connected with the purpose of the sampling and associated with the qualitative method.

*The first Consideration:*
The participants: it represents the individuals who will be participating in the research. These are the available ones that a researcher can access regardless to which entity they belong. Creswell (2013) pointed that everyone has a point of view to express and a story to tell which is considered valuable information. However, experiencing the phenomenon of interest is an essential element, so these individuals should have experienced or are experiencing it.

The Second Consideration:

The type of sampling: Creswell (2013) referred to it as the purposeful sampling. The researcher decides what is required from the sample or the sites that the researcher investigating in order to be able to identify the knowledge and information that can be obtained.

The Third Consideration:

The size of the sample: which means the number of participants in a single research. Creswell (2013) noticed that there are different approaches, some of them contain only one participant and others can reach up to 325 participants. The size basically depends on what the researcher see as proper for the study.

Leech (2005) considered the sample and the sampling as the core matters for qualitative research. They can determine the generalization aspect of the research, if the researcher aims to generalize the findings. Leech (2005) pointed out that the common error between most researchers are that they think the qualitative approach includes only small samples, but it may as well include a bigger sample. Sampling decision is very important to understand the generalization in any research, and the term sampling still important because it represents a vital meaning, which is finding the proper tool in selecting the sample.

Based on the above information, the selected sample includes participants from different branches and different locations, but they have in common one matter, which is experiencing joint venture in their companies. The sample size in this study considered relatively small which consists of four main companies, two companies located in Sweden and two companies located in the in other parts of the world Canada and Jordan. Following Carswell (2013) classification this sample is considered as small. This means that the aspect of statistical generalization cannot be applied. Moreover, the dedicated time on this research limits the number of participants. Regarding the interviews, as mentioned before its combination of semi-constructed and unstructured questions, which means that the researcher has several questions to be answered and address the commitment matter, while other questions may arise during the interview.

3.4 The Interviews Questions
Kanning & Hill (2015) have developed a questionnaire related to the organizational commitment, which is considered reliable scale that correlated positively with the validity criteria. Those questions were found very useful for this study, therefore, the proposed questions that was
considered and reformulated to suit the interview approach. According to Kanning & Hill (2015), the organizational commitment illustrates to which degree the employees feel themselves belonging to the company or an important part of it.

3.5 Empirical Study
This section represents the empirical data derived from the selected sample (four companies).

3.5.1 The Selection
The selection process has been carefully studied and chosen based on a major criterion, which led to a collection of data which we tried to consider it as accurate as possible. The interviewees were entitled to answer mainly the semi-structured questions, which were done via Skype Calls and Telephone conversation. The targeted persons are employees who reporting their activities to their superior/managements and especially those who have new management after the Joint Venture.

Company A:
This company is an investment and financial and IT advisory firm, which provides different services and creates investment opportunities in two different continents. It has offices in Uppsala (Sweden) as the main office in Europe and East Africa (Uganda, Kenya, Tanzania, Rwanda, and Burundi). This company as well works on finding investors and businesses to partnering with them from all over the world. The company participates with different international investors to help them establishing a solid base and a successful business.

Participant A: A Business Consultant that has an extensive experience within the financial sector and business consulting. Worked for more than 10 years within the sales and investment fields internationally execution of transactions both in the money markets and capital markets, investor relations, and client servicing. The participant has been actively involved in ESG and CSR activities of the various institutions

Company B:
This corporation is located in Ohio, USA and has branches all over the world including Sweden. It basically sells customer service management solution and information management products to large companies and corporations. The offered management products include self-service software, financial services, agent assisted, technology, healthcare and governments markets and more. Regarding the information management solutions it includes billing systems and business support system which also cover more services such as revenue management services, order management, customer care, utilities, and cable, satellite service providers. The corporation has around 130,000 employees across the world. The corporation made too many joint venture projects, especially in Asia with lands Cellular One, Olympus capital holding, Expedia and many others.

Participant B is a Customer Relationship Officer that has several years of experience within the sales, customer services, and client relationship.
**Company C:**

Company C has branches throughout the world and it provides audit, consulting, financial advisory, risk management, tax, and related services to select clients. There are tens of thousands of dedicated professional work independently worldwide. This company is UK private limited by guarantee and it provides its severities in each geographical area and its subject to the laws and regulation of the particular countries in which it operates.

Participant C is an initiative and innovative consultant with more than thirteen years of experience in management consulting especially in the domains of IT strategy, IT governance, project & program management, quality assurance, change management and knowledge management.

**Company D:**

Company D is an Information and Communications Technology enabler and innovator powered by over 25 years of global experience serving clients throughout the US, Europe and the Middle East. Company D is focused on delivering enterprise solutions to the public and commercial sectors.

Participant D: Enterprise Project Management Implementer worked with different projects in different business sectors including, government, banking, automobiles, and other private sectors.

3.6 Data Analysis (Interviews)

The Data analysis approaches vary and differ from each other when the data is qualitatively collected. The researcher may choose the most suitable direction that satisfies the purpose of the study. The aim of this phase is to manipulate the collected data and stem the conclusion. It is mandatory to have a comprehensive understanding of the phenomena, to analyse the sentences, answers, and meanings, therefore, it is recommended to collect data as much as possible from the interviewees for each case (Randolph, 2008; Creswell, 2007).

Creswell (2007) has proposed a method, which is called *The Spiral Process*, and it means that all processes are related to each other, starting from the data collection and the analysis stage up to the final report. This method consists of several steps as follows:

The Segment: Initially the researcher gathers all information and divides them into units. These segments represent the segmentation of the gathered text, such as sentences, paragraphs, and analysis of different topics during the conversation to have a sequential follow within the document.

The Company: During this process, the researcher will be organizing the text by performing a proofreading, in order to allocate the related text together and sifting out the important parts. The organizing process helps in clarifying the spread parts and collects them together to have a sequential and easier informational flow.

The description, classification, and interpretation: as mention by Randolph (2008, p. 88) it means that to describe the place where the interviews occurred as a starting point, then detailed information follows gradually as the interviews move forward. Afterward, there should a sense
from the collected data that can be linked to the phenomena itself, which means, that it should show how everything related and connected with each other. The next step is data presentation that may show the initial findings of the research, and it is good to try to validate the data throughout checking it. The final step is preparing different copies of the final report that present the findings.

According to Denscombe (2003), such data analysis for the qualitative researches belongs to small-scale studies and its structure built by words and descriptions. Words are the units of the analysis, which represent the description of the case throughout examining the meanings and/or the patterns. The interviewees provide some sort of storytelling answers, which have details and descriptions of certain events. The data have different formats and it’s important to work on organizing it, to obtain a clear sequence. Therefore, Denscombe offered a simple process, first organizing the format of the text by putting all similar materials together, then organizing the comments and notes that were written during the interview, coding each piece of information, and pointing where each piece belong. Denscombe urged to focus on several points to analyse the data correctly, summarized as follows:

- The narrative data or the descriptive data, such data needs attention since it contributes directly to the conclusion.
- Coding the data, it is process that aims to map the related information and gather them.
- Comments are important; they give different or adjusted interpretation of a certain point.
- Review the transcripts or the data regardless which format has been used. It is essential to find the interconnections between the given information to be able to categorize the data easily.
- Checking the validity of the explanations by comparing them with reality.
- Generalization development and comparison with existing theories.

3.7 Research Ethics

Generally, in all researchers, the investigators should have a moral obligation that assures the protection of the participants’ privacy and the promotion of their well-being (Ford et al., 2009).

The conduct of ethical research in the virtual environments imposes the importance of taking into consideration the cultural production of texts and performance and it is considered as a social responsibility to protect both researchers and participants’ rights as it contains certain principles with humans such as integrity, respect, beneficence, and justice. However being performing a research in a virtual environment does not affect the ethical requirements need to protect the anonymity of the participants (Roberts et al., 2009). The ethics consideration in the qualitative researchers presents the morality in the research context, which called the ethical framework. This framework includes the approvals from the interviewees to participate in this study and answering the questions. The capacity of the project refers to the ability of the interviewees to understand the purpose of the study, and the aim behind it. Confidentiality is a vital aspect, which means not to expose the interviewees identity or referring to additional information that wasn’t said during the interview. Anonymity means protecting the participant’s identity, and not revealing the place or
company to third parties. The last part of the framework is the risk, which means that the researcher ensures the safety of the interviewees during the session (Wiles, 2013).

Therefore, the ethical approach in this study includes protecting the individuals’ identity, place, company, and not publishing this information online.

### 3.8 Validity

The validity of the qualitative studies means the ability to verify, clarify, and validate the information or the data instantly and directly from the participants. Although the preparations for different interviews is time-consuming and may face difficulties related to the geographical locations, but it still something interesting to interact with people from different countries and backgrounds (Randolph, 2008; Johannesson & Perjons, 2012; Denscombe, 2003). The validity has too many concepts and these concepts vary from researcher to another, for example, Bryman & Bell, (2015) defined validity as “the issue of whether or not an indicator (or set of indicators) that is devised to gauge a concept really measures that concept” (Bryman & Bell, 2015, p.170). Other researchers connected validity with the quality of the research, consistency, and trustworthiness (Mishler, 2000; Davies & Dodd, 2002; Stenbacka, 2001). Although in the qualitative studies the sample is usually less than the quantitative studies and the amount of data and information are larger than other methods, it still important to distinguish between the usable and useful data and other types of data (Mason, 2010).

Bryman & Bell (2015) pointed that at the research level, researchers need to assure that their validity is up to the expectation and more realistic throughout performing a facelift to help them in understanding whether the measurement that they follow is valid and this can be done by asking certain people with certain experience in the same field of study in order to create the expected quality. There is another way which is Concurrent Validity, where researcher examines the validity based on a certain situation for a certain group of people and analyse the results to see whether the measurement showed the expected results or it there were no changes.

Predictive validity is another test, however in a way it is similar to the concurrent approach but it’s concerning the future prediction where the researcher predicted certain issues that would happen in the future and ask the respondents that are engaged in certain activity about the possibility or the willingness of doing something. Construct Validity, this is another way to estimate the measure by deducing hypotheses from a theory which is relevant to the concept and finally the Convergent Validity which means to compare the proposed measure with other previous measures that have the same concept (Bryman & Bell, 2015). The validity can as well be identified during the interview and at the end of it, by reviewing what has been said and what the participant’s reflection is (Noble & Smith, 2015).
4 Chapter 4 - Results
This Chapter presents the conducted interview, data analysis, and the results. The data analysis approach will be presented based on Denscombe (2003) strategy to analyse data and reach the conclusion.

4.1 The Data Collection
The data collection phases in this study has been conducted by gathering information from two main resources. The first resource is the previous researches, literature, books, and other e-libraries as mentioned the literature preview sections. The second source is from the employees themselves based on the criteria that were mentioned regarding the selected sample. In this research the researcher used the available personal network to contact different companies to conduct the interviews. The data have been gathered from people who have experienced joint venture from different sectors. The interviews have be performed via Skype and phone calls. The researcher formulated the questions that have a direct connection with the purpose of this research and that would answer the research question.

4.1.1 Interview 1
The first interview conducted on 26th of august 2016 via phone call with the interviewee A from the Company A. The first step was the presentation, which meant to introduce the participant to the research and to introduce him to us. Then the interview started by asking the participant if they have JV agreement and what is the purpose of it. The participant mentioned that his company works a lot with the joint venture and there is different services provided by the company, however, the basic offering is within the business consulting and IT fields in the Scandinavian countries. Due to the joint venture purposes there was too many changes that touched the management level, however, this didn’t change the purpose of the partners. The reporting or the communication channels have changed within the company, but it seems that these changes didn’t affect the way of communicating between the parent company and the new partner. The participant commitment to his own company didn’t change because of the clear obligation and responsibilities that he was hired to do. Once he started to be involved with project with partners it started to be more complicated with different structure and complex reporting, even the products that was originally offered by his company, they have been changed which according to the participant expression it became harder, therefore, the commitment has changed based on performing a simple tasks to more advanced tasks.

Joint venture has given the company a better positioning and facilitated the market penetration, especially in Europe, since the main business is conducted in North Africa and now they are operating in Europe. According to the participant expression the associated changes with JV has benefited the company on the strategic level, however the micro-level which he meant the ordinary jobs for employees has been affected negatively, since tasks and assignment became more complicated.

One of the major issue according to the participant is that dealing with other employees from another company has created discomfort, because they have a different culture, they socialize
differently and the way they respond to communication such as emails are simply different from what he used to.

About the extra effort, the participant referred to the job description, the clarity of it, and the associated traveling and costs. The participant meant at this point that, the extra effort that is part of the joint venture work was not clear for the employees, and it is part of the new formation that wasn’t adjusted in the original employment contract. However, the extra efforts are connected with the needed changes on the job description and covering all extra expenses from one or both partners. The extra responsibilities that were derived from the JV were not equal with the employees’ capacities and budget. However, the participant is willing to give the extra effort if there will be changes that associated with the clear vision of the company and JV, and consistency with responsibilities and what they supposed to do. The researcher has mentioned a missing link between the management and the employees in this regard, which meant that, as a vision of the company is clear to the management, while it is blurry to the employees. The participant mentioned that the high-level description and purposes are defined at the high-level, while at the micro level there are things that are not well defined and lacks details.

Regarding the atmosphere of the company, the participant said before JV all processes were clear, the client base was already there, and they just follow certain routines. After the JV they found themselves they had to deal with other partners, other employees, and other rules that they didn’t know anything about them before, although there took training about the new project, but there still changes that they weren’t prepared for them, such as the structure has changed, reporting to different managers that have two different mind-set, which led to creating some sort of conflict within the company.

Loyalty, the participant mentioned that the expectation as an employee to have two-way loyalty, and it meant that the employee expected the company to be loyal to its employees and appreciate what they do, in order to have such loyalty among those employees. However, in this case, that the structure is not well-aligned, the responsibilities are not well-defined, and the participant is not being able to be loyal to the degree that allows him to consider himself loyal to the company as before the JV.

Regarding the employee’s value and the company’s value, the participant mentioned there are three ways, the first one is before joining the company the participant was looking for a company that has the same values, in term of growth, development, believes and better future. The second part after the JV the company values have changed which impacted him as an employee, where the company values have changed. The third is the development and growth within the company dream has vanished, because the new management didn’t propose other positions in the company that allows employees to move from position to another. Although there are internal issues that influences the participant himself he still proud to inform other people or talk about his company and what they are doing. The participant is willing to accept another job offers, however, there are conditions, such as direct job descriptions, better terms, and takes not demanding. The inspiration at the company is not at the level where the company facilitates internally, however the management encourages employees to perform better and do better. The decision to leave the company has been made yet, however, if there will be any other opportunity with better vision and
better work condition he would move further. According to the participant, there were other offers before joining this company, however, something is doing good and some are not due to different circumstances and the participant believes that it was a good choice then but as mentioned before it can be changed in the future if other opportunities come in the way.

Regarding the gains, the participant mentioned that there are gains on the personal level and on the professional level, however, the participant believes that there is still big room to gain more in the company, since they offer different products and different services that knowing them would add additional value to his knowledge and experience.

Regarding the fate of the company, in order to be able to judge or give a prediction about the fate of the company, the participant believes that the management should go the micro-level where employees need support and more information to make them feel that they learning from growing business and benefits. Such needs were already discussed with the management and they have raised all concerns during a different meeting and team reviews but the response is weak and slow.

4.1.2 Interview 2
The second interview has been conducted on 28th of August 2016 in Helsingborg, face-to-face with the participant. This interview related to participant B. As in the previous interview, the start began with the presentation about the master thesis and the participant background. The participant mentioned that her company has joint venture agreement with other international companies and the purpose of it is to expand, they opened a branch in Helsingborg to provide services and to sell their products to Scandinavian countries.

The changes that took place within the management was that different employees from the other partner became part of the work and imposed additional rules and regulations to the current work without informing employees about them. The changes as well weren’t communicated with employees when it comes to reporting and tasks, however, these changes and continuously happening on the floor without any previous information. The new tasks that come suddenly are not arguable and employees should directly change the way they work to adapt work process with the new workflow. The last point about the changes is that the job description became not clear since the employees had an original description, while in reality there are more assignments that were not mentioned or expected.

Regarding the participant’s commitment, the commitment to the colleagues, to work, and to the company itself are big and the work-dedication is high as well. The participant tries to give the highest quality and the best of her knowledge, although the work sometimes became tremendously huge she still trying to keep the balance instead of the company that should find this balance. The participant explained the commitment as something exists in her character, and no matter what kind of job she has, she will keep giving the maximum of the commitment according to her expression. However, there is some sort of limitations with the personal capacity for work, which means the ability to bear too many tasks, new assignments, and deadlines it worn the employee out and then influences the commitment.

One important point that was mentioned is that even if you as employee is committed to your company and work with high volume the commitment vanishes and the focus becomes to do the
basic requirements for each task to simply get done with it. The participant mentioned that they misses the motivation that can be associated with extra work, which the company does not offer.

Regarding the willingness to do the extra work, the participant referred to the motivation and talked about the returns that the company should think and give its employee to encourage them to walk the extra miles. At a certain point that although the participant is happy to work there but at the same time not happy with the extra work that they have already, however, they don’t discuss it further because simply it is important to have a regular income. This issue hasn’t been raised with the management because from the experience at that company that participant knows that the management, which is a combination of three companies, they do not take any complaint seriously from the employees further or consider any changes. The participant is considering herself as a loyal person to the manager and to the co-workers, but to the main company according to the participant expression is low. Regarding the atmosphere of the company, the participant indicated that there is a mutual respect between all colleagues, however the relationship between the CEO, the upper management, and the employees are decreased because they have no contact with them on a daily basis, although there are at their offices and desk but there is no conversations nor socialization with them.

There are differences between the participant’s values and the company’s value. Due to the fact that there is no communication between the employees and the owners/management and this created a gap within the company. For example, the chance to improve the work is missed, and the management does not listen to what the employees to understand which values or ambitions they have in order to take them into consideration. According to the participant there is some kind of feeling that the management does not trust their employees when it comes to suggestions and improvements, while they only demanding to work unconditionally. The participant agrees that the employees’ values and the company should be close to each other, which creates the sense of security and being happy at work. According to the participant, these feelings exist to a certain level but not as wished to be.

Being part of an international company, the participant is proud to tell others about it and refer to it as a global multinational company, which reflects positive feedback from others. On the personal level, it may give the opportunity to work at the same company in another part of the world if the chances allowed moving further. However, it’s only to that point that its international company with different backgrounds, on the side and based on the previous feedback it has other feelings, which it’s not a very healthy environment.

When asking the participant about the possibility to accept another offer from another company which has the same the assignments, tasks, and job description, the participant mentioned that they work for the sake of the salary that helps them to survive, however, other offers would be accepted regardless where is the location of the company it has to have better salary including extra motivation which meant extra payment for working extra. The main issue with salary is the gap between the number of the tasks and assignment comparing to it.

Regarding the inspiration at the company, the participant agreed that the company doesn’t give this opportunity or the space to suggest a further enhancement, development, ideas, and other due
to the previous information about the hierarchical issues. The participant referred to inspiration as something obtained from the work itself, which means, by performing the same task many times over a certain period it can give the ability to perform it faster and decrease the unnecessarily steps. Additionally, with the extra assignments that are totally new, the inspiration disappears at this point according to the participant expression since its totally new. To change the company at this time is not discussable as long as there is no other job offers that cover what the participant wishes to have. Furthermore, the participant referred to the continuity at this company under the previous circumstances would make it harder to stay for a long period under such stress. Before joining this company the participant had other job offers, however, there is no remorse for choosing this company.

The participant referred to the gains from this company is a new knowledge, new experience, and new skill and good reference for the future opportunity since from the outside the reputation is good. Due to lack of internal communication, the conflicts with the management are not shown at all whether there is conflict or not. When we talked about the fate of the company, the participant indicated that regardless with what is happening as employees and too many different managers the fate of this company is bright due to the fact that it is a global company and has too many branches, and if it is a local company the possibility to survive further is doubtful, because the employees would spread the negativity to the outside. According to the participant being an international big company compensate other backward until another opportunity comes since the participant knows from inside that she won’t stay too long there. The employees are classified based on the statistics that the company has and the more you have high ranked the more your chance to stay becomes bigger, the more they are happy to show their partner positive numbers.

4.1.3 Interview 3

The third interview conducted on 5th of September 2016 via Skype Call with the interviewee C from the Company C. The first step was the presentation, which meant to introduce the participant to the research and to introduce him to us.

The company has developed different JV strategies with different partners around the world, especially the ones that are looking for enhancing the technology or need an assistant to assess the current technological environment. The company part is to conduct consultancy studies and reports as well implanting some parts of the proposed project, while the partner perform the other parts based on the agreement and it can be like providing the software itself and the implementation while the company C is responsible for the consultancy, advisory work and some documentation, and this one example of the joint venture strategies they perform.

The management changes on each the joint venture and the main company, which C provides a roles and responsibilities chart for both parties that defines each individual and assign responsibilities to each team according to the plan.

Regarding the commitment, the participant mentioned that the company gives a clear communication plan that allows most of the employees from the same company to communicate and report to each other’s, however, there are interactions with the other team which may lead to creating conflicts. These conflicts are usually brought directly to the management from both sides.
to resolve them. The participant answered further regarding the commitment to the company that it changes toward the mutual project because two different companies have different mentalities toward their employees. While the commitment that the participant has toward his company didn’t change, because it gives the opportunity to participate with too many different projects. In the case of conflict, the company has a certain process to follow and to avoid such conflict by giving a very detailed responsibility chart that gives each employee the opportunity to understand his/her area. Another solution for conflict can be managed by reallocating the employee to another project to avoid further escalation. As long as the channel is clear to each employee the reporting to the same manager from the same company is another solution to minimize the conflict between different parties and in some certain situations the steering committee get involved in such matter which includes the company’s executives.

Regarding the extra work, the participant mentioned that there is a personal review to assess each individual work and during this review, the manager or the person who’s responsible for doing that will give a detailed feedback about the performance what needs to be enhanced. Therefore, the participant is willing to do extra work without any condition because he believes that it a win-win case for both partners. This attitude encourages many vendors to contact the company again to participate in other JV projects.

The atmosphere at the company is very professional and open that encourages its employees to have entrepreneurial spirit that makes employees feels very connected with the company, and sometimes they give the opportunity to choose between projects and which one fits the employee more, for example if one of the employee is more interested in the manufacturing industry or in the IT field then they try to put him in the project that makes him feel better.

The participant described his loyalty that has a connection with interacting with other employees that have different mind-sets, beliefs, and even attitudes, however, the managerial system that is imposed on all makes all employees from different backgrounds feel comfortable and the performance is being measured based on certain criteria not based on persons. The company provides every year a specialised training about how to deal with another person that has different personalities that include the so-called business chemistry based on that they give a report that describes each employees’ character and how to deal with other characters.

Regarding the participant’s value and the company’s value, the participant mentioned that as a person there are two main levels the professional values and the personal values, and based on them the one chooses which company that respect these values and to be integrated with the company. The participate has certain certifications that make him belong to a certain position or path within the company and the company very well knows such information that in return support and appreciate such personal development.

Regarding the reputation of the company, the participant mentioned he is proud of working at this company and one example that made him happy and proud was that he worked for the same company in one country and once they knew that he will be going to another country they offered him to join their branch in that country which created a very strong relation with the company. In the case of accepting another job offers, the participant said it’s not worth it even with an increase
in salaries because he look at on the long run and he built very good relationships with the partners and clients and established a solid base that suits his career track. By moving to another company they will be an extra effort to rebuild such matters, so the cost of a switch is not worth it. Since the conflicts that come with the partners and other problems have a way to solve them then there is no problem, while according to the participant if the management wasn’t involved in solving all that issues then he would differently change the company even for less salary.

The inspiration in the company is very high and take any idea for improvement seriously, which lead to promotion and additional benefits from the company, so it is very encouraging to create new ideas and come up with smarter solutions, this creates a sense of belonging among employees including the participant.

The changes within the management during the joint venture effect in away the participant work, although it an open culture within the company there still some changes especially when the other team from different countries, it takes time to understand the other employees and their managerial style and how they use to run businesses. Under such circumstance, the open communication policy allows all employees to reflect their issues and ideas freely to their managers. Additional the negative side about it is the more management changes, the more employees have less focus on the project itself and the delivery, taking into consideration the policies and politics that get involved in certain situations. According to the participant if such issues are the norm then it would affect the commitment, however it is not. Some of the changes that can create conflict between two different management is the reporting and

The company is a very dynamic from both inside and outside, it works continuously on different strategies basically related growth, expansion and acquiring other companies that give it the opportunity to stay in the market as a big player.

4.1.4 Interview 4
The fourth interview conducted on 5th of September 2016 via Skype Call with the interviewee D from the Company D. The first step was the presentation, which meant to introduce the participant to the research and to introduce him to us.

The company performs several JV agreements some of them for a short-term and others for long-term. Basically, the purposes of these JVs are differed from each other based on the project requirements; some of them are formed to serve proposal works and others for project implementations. The company D provides technical implementation and consultancy on limited technologies, and where the projects need additional knowledge they join other partners to complete the needed phases. Those partners can be selected locally and internationally based on the project location and requirements.

Regarding the commitment to the company, the participant mentioned that he enjoys his work and there is a mutual respect, however, there are issues and conflicts. These conflicts sometimes related to the communication between the partner and the company, an example, as mentioned is that the partner can jump over the original agreement and communicate with the client other plans or issues that weren’t mentioned in the original contract and the partner doesn’t communicate it further with the company as the main parent of the JV. The win-win case does not always exist with the partner,
as noticed from the feedback, which means that there is a problem to define the vision and collaboration between both companies.

Regarding the commitment before and after the participant indicated that it is easier for them as employees to work for project that wholly owned by the current company, however, the management doesn’t discuss such vision with the employee, because they care much more about getting profits as per the participant’s expression. As an employee in that company he feels comfortable when there are other projects that leads to growth or expansion in other markets, however, the sudden changes in the management and procedures that are associated with JV is not an easy matter to deal with.

Regarding the extra effort, the participant mentioned that his job is demanding and teasing them to be always innovative in order to find the suitable solutions and stay all the time motivate, which he consider it impossible. However, the participant can accept to work extra although this is the norm at the company, since they never finished their work within the ordinary working hours, especially when there are deadlines, so it is mandatory to complete the tasks and assignment on time.

There is a huge lack of communication within the company that created a gap between employees and management. This gap hindered the flow of information, which made even harder to understand the vision of the company. The participant described the loyalty as is part of his relationship to the management, since it’s been almost the same management and he wants this company to grow and reflect the good image for the outside, but since there is no perfect environment at any company, the load of work makes him want to back-out from the commitment that he had before. Furthermore, the participant mentioned a huge turnover in the company, but it seems the management doesn’t investigate further why this is happening.

Regarding the values for employees and the company, the answer wasn’t very clear due to sudden connection problems, however, the participant referred to the performance that is expected from the employees should be at a high level all the times, while there is a shallow area around the values of the company.

The participant is proud as a person works in a big company that has several big projects with different governmental entities around the Middle East and international clients. But when it comes to the possibility of accepting another job offer that has the same job description and tasks, the participant mentioned that in each company there is a unique experience even if the tasks and assignments were the same and there is a learning curve in each position, so the answer would be depending on the experience and the challenges that he would gain from the new company. If it is up to the expectations then there are no reason for rejecting such offer, however, the salaries were not a decisive subject.

The inspiration at the company has changed dramatically, since they had before continues development plan for all employees by offering regular training session and motivate employees to pass any certificate then the company would pay the entire costs related to that certificate and increase the salaries, in addition to proposing bonuses upon closing any project before the deadline, although this is more encouragement and motivation it can as well be part of lack of inspiration,
and such changes influenced the commitment level among employees to the negative side. These changes, especially during partnerships, have created a problem and the lack of encouragement during the stressful time he may change the company if there will be a better offer from another company. The participant worked in other sectors before joining the company D, and he decided to accept the offer since it’s within his education and wished always to work in the IT sector, and he is happy that he accepted that offer because he gains such experience and knowledge.

Regarding the gains that the employee has obtained from the company, he mentioned that mostly the tangible gains are the certificates and different training, while the intangibles classified them as basically the knowledge, skills to deal with other partners, working on different projects that polished his skills. Taking the changes and the influence on employees, the participant mentioned that there is a conflict when it comes to deal with other partners and mainly not following the communication plan, which creates contradictory messages from both sides.

Regarding the fate of the company, the participant mentioned that it is not clear or it’s hard to speculate, since there is in the market too many competitors, politics, and changing some rules and regulations in some countries around that area, such as issuing visas for the employees to work with their partners on different projects. Additionally, as suggested from the participant the company should adopt other strategies or come up with new business ideas to survive the market, especially the Jordanian market became overwhelmed with companies that joined with others to propose different technological solutions.
5 Chapter 5 – Analysis and Discussion

The data analysis section describes the method that is used to analyse the collected data from the interviews. This step consists of sex stage, which described the process that was proposed by Denscombe (2003).

The main steps are:

1) Paying attention to the narrative data/the descriptive data, because such information has a contribution to the final result/the conclusion.
2) Coding the collected data, which means making all similar responses or data related to each other to facilitate the mapping between them.
3) Classification of the comments. Comments give another way of interpreting certain points during the conversation.
4) Revising the transcripts/gathered data. It doesn’t matter which format is used, the importance is finding interconnections between the data, in order to facilitate the categorising process.
5) Comparison between the collected data and the reality, which means making sure that such information is valid and applicable in real life.
6) In case the study can be generalized, then this stage contains the generalization development and comparing the results with the available theories.

5.1.1 Findings

The following table illustrates coding the collected data and classifications for the comments based Denscombe (2003) analysis method.

Table 1: The relationship between joint venture and employees’ commitment

<table>
<thead>
<tr>
<th>The main Theme</th>
<th>Participant A</th>
<th>Participant B</th>
<th>Participant C</th>
<th>Participant D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of JV</td>
<td>Yes.</td>
<td>Yes.</td>
<td>Yes.</td>
<td>Yes.</td>
</tr>
<tr>
<td>JV purpose</td>
<td>Investment partnerships (long &amp; Short Terms).</td>
<td>The company have one major JV (long term)</td>
<td>Consultancy, implementation &amp; advisory partnership (long &amp; Short Terms).</td>
<td>Software implementation projects (long &amp; Short Terms).</td>
</tr>
<tr>
<td>Changes associated</td>
<td>Reporting, communications,</td>
<td>Responsibilities and tasks</td>
<td>Reporting, communication</td>
<td>Reporting, communications,</td>
</tr>
<tr>
<td></td>
<td>with joint venture</td>
<td>Commitment before and after</td>
<td>Extra Effort</td>
<td>The Company Atmosphere</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------</td>
<td>----------------------------</td>
<td>--------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>responsibilities, structure, and tasks</td>
<td>ns, responsibilities, and tasks</td>
<td>Commitment is connected with the responsibilities and tasks</td>
<td>It’s part of the job, although willing to do it without passion.</td>
<td>Not clear, however, before was more encouraging.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stays the same</td>
<td>It’s part of the job, although willing to do it without passion.</td>
<td>Not encouraging.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher before, less after</td>
<td>It’s part of the job, although willing to do it without passion.</td>
<td>Very professional.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>It’s part of the job, although willing to do it without passion.</td>
<td>Not encouraging as before, misses the open communication, dialogues and rewards.</td>
</tr>
</tbody>
</table>
### Inspiration

| Inspiration | Lack of Inspiration. Participant motivate herself. | Company has big involvement and high inspirational environment. | Not as before. |

### Organisation’s fate from the employee perspective


#### 5.1.2 Discussion

Based on the obtained results it is noticed that there are differences and joint information. Mainly the four companies have adopted joint venture strategy to expand their business, obtain access to other partners’ resources, new products, knowledge, risk distributions, penetrating international markets, increasing profits, experience, and technologies that the four companies don’t possess. These reasons are fully aligned with the purpose of joint venture strategy and its definitions as mentioned in chapter 1 and 2. On the managerial level, we can notice that the managements are fully aware of the benefits that can be gained from conducting businesses of any size, which will strengthen their relationships on the long-term and successfully implementing a project by collaborating with partners based on short-term projects.

Partnering with different a company can be complex because it takes very long time for them to build a solid relationship and to fully integrate with each other. This case is seen obviously from the participant responses during the conversation about the purpose, aims, and changes. The participants agreed that it is hard to manage their tasks, the tasks themselves became complicated, and responsibilities are not clear comparing with their job contracts. Although it was noticed the differences between how management deals with such changes, it can be supportive management that describes, communicates and support its employees during the early stages up to the final
stages of the projects or giving its employees a high-level of information would be considered as enough information or assuming that its employees could manage it by themselves.

In this regard, Participant A, has a knowledge about what the project aims to, however, there is no support from the management in case of conflicts, while the Participant B has no information from the management at all, they just act according to the new changes, tasks, responsibilities and process as they come from the main partner. On the other hand Participant C has a very professional and supportive management that is fully aware of such conflicts and discomfort that the employees may face dealing with different partners, and this level of support increases the trust between the employee and his company as the case with Participant C. Participant D has lost his faith and trust of the company that used to support, train, develop and motivate its employees due to the urgency to expand and to increase profits to sustain its existence in the markets.

Participants B and D mentioned that the objectives of the venture are clear to them, while there are problems with communications and involvements which lead us to notice that the real objectives are not clear to everyone involved. Participants A has received adequate information about the objectives, however, his tasks kept changing and more work pressure is regularly imposed on him. Although Participant C has received information about the objectives, there are still challenges with some partners regarding the communications and the roles. This led us to assume that partners have different objectives, which are not communicated to the employees throughout the right channels.

All participants agreed that there are communications problems with their partners, however, the managements of their companies determined the shape of this problem, which means, the more the management is fully aware of the challenges internally related to JV the more employees won’t consider them a problem. As noticed Participant A, B and D are encountering major issues communicating with the new management, while Participant C has better support in such scenarios from his management. These changes can be a result of expertise imbalance, as mentioned before, joint venture brings additional expertise to different partners, and therefore, such differences should be aligned and assigned carefully within different managements and teams. This point has been raised from participants A, B and D when there was mentioning about partners’ teams act without including them in the communication channel.

The differences in cultures and management styles found with Participant A and C, while B and D haven raised such issues as part of the conflict, and the management in A and C cases acts differently. In A case the participant A faced a lot of challenges to understand or to adapt with other partners that have other cultures and styles and the management didn’t support or prepare him for such differences, while in the C case the Participant C has received several training sessions about how to deal with other people, how to deal with different cultures and people from different background, this lead us to say the organizational maturity which is not discussed in this study has a great effects on measuring the readiness of the company and its employees.

Communication problems and commitment, without efficient communication there will be a major problem with exchanging the important information and perform the daily operations. As noticed in cases A, B and D the lack of communication and the bad reporting structure has influenced the
participants’ commitment. The commitment to them became related only to their work (tasks) and colleagues and not to the joint venture itself or the even to their companies, because they are willing to accept another job offers that contains better conditions and better compensations associated with working extra hours, while the participant C has created a very good relationships with the company, partners, and clients and he won’t jeopardize them by moving to another company.

The benefits gained from the joint venture, all participants acknowledge that they got benefits and they are summarized as experience, new knowledge, diversity at work, and new challenges. Such benefits besides of the company’s reputation as international players have created a sense of proudness socially and this mentioned from all participants, they are proud to tell others about the companies and their operations, partners, projects and positioning. However, the good positioning of the company didn’t influence the commitment, since work related issues and conflicts influenced their feelings to be committed excluding Participant C who said such reputation and partnership made him more proud and more committed.

Regarding the extra effort associated with the joint venture, all participants agreed that working extra is part of the job, however, such works have increased and became harder and complex. According to Participant C extra effort is not a problem at all since the management established a very-well defined roles and responsibilities charts, very clear structure, reporting procedures and additional support, while other Participants A, B, and D have a problem matching such extra effort with motivation since their companies do not compensate such effort they consider it extra worries that weren’t communicated with them, and not getting paid for.

The general atmosphere of the company could increase the commitment in a way or another, and this can be noticed from the responses, Participant A didn’t give a clear answer, Participant B not encouraging, Participant C very professional, and Participant D not encouraging as before. The changes within the management could affect the commitment as noticed with the Participant D, the atmosphere not encouraging as before, this means the participant lived in two different eras within the same company and touched the differences which influenced the commitment. Participant B spends a good time with the colleagues, creating an atmosphere by their own Participant A not knowing exactly how to describe it, this means there is some sort of contradictions within the company, and Participant C is very satisfied with the atmosphere since its professional and encouraging. A good technique to involve the employees in positive activities and make them engaged in the company make it better environment lead to more success. This is as well found with the inspiration the same participants A, B, and D have no inspiration at work anymore, as mentioned by the participant B ‘I inspire myself from my work’ which means as employees tries so hard to motivate themselves by themselves and inspire themselves by repeating doing the work from different positions.

Finally, one important factor that led to influence the commitment is accepting feedbacks and listen to employees need and problems, excluding the company C, the rest of the participant has tried to reach the management and discuss such issues with them and the management didn’t try to look further or examine these situations further.
6 Chapter 6 – Conclusions and Implications

6.1 Conclusions
In the introductory part, it was stated that the impact of the financial crisis made many companies to change their strategies or adopt new ones. The joint venture has been considered as a suitable strategy that helps companies to gain additional resources, increase their capacity, gain access to new technical expertise, and establishing markets as well gaining additional distribution channels (Beamish & Killing, 1997; Killing, 2013). However, although joint venture helps companies to sustain their business and increase profits, it has also negative sides or risks due to the complexity of the assignments, cultural issues, different expertise and others.

The purpose of this study is to understand the influence of joint venture on employees’ commitment to the international companies. Commitment is known as an important factor in organizational life. From previous research, it shows that employees who have a strong bond with their company have a positive attitude and behaviours toward their company. This is especially true when focusing on work-group level rather than organizational level (Knippenberg & Schie, 2000).

From the conducted interviews with different participants, there are two main parts. The first part is the company and the second part is the employees. Companies are fully aware of the purpose and benefits of the joint venture whether it’s based on long-term or short-term projects. The companies are looking for creating new markets, increase their capacities, distribute or share risks, and accessing different resources, which are specialized in either technology and/or finance. However, a fundamental work that should be done as seen with participant C, companies should assess the current readiness before establishing joint venture. This assessment doesn’t include only fitting new strategy with another one, identifying the needed skills, choosing the best markets to operate in, or even performing different strategic analytical approaches such as SWOT. It should include an internal employee’s attitudes and the different mind-sets, because as seen in the previous chapters and from the interviews, employees may feel discomfort, values changes, and difficulties in building a streamlined work environment between the company employees and the partners’ employees. The ideal case found in company C that provides different trainings, session, and seminars to its employees to understand such changes and try to avoid conflicts as much as possible. Such conflicts have been created from too many reporting, lack of communications, lack of knowledge sharing, and not taking feedback seriously. All that has influenced the employees’ commitment to their companies in a way that made them open to accept another job offers.

As seen with the Participant A, lack of internal development and not managing conflicts quickly affected the employee’s commitment negatively. While Participant C has a well-organized internal communication process and knowledge-sharing strategy led to increasing the security feeling, increased the sense of belonging, and eventually increasing the commitment level.

6.2 Theoretical discussion
As shown after conducting the research, there are relationships on different levels such as the management team, goals, objectives, knowledge sharing and the informational flows that influence employees’ commitment during the joint venture. Theories that focus on this dimension has been
examining and concentrating on the commercial arrangement between the parties. Such as, to establish an incorporated or unincorporated joint venture, the unique characters for each partnership, the mutual benefits, pooling their resources, and expertise to achieve a particular goal, development and expansion. Among their studies, they have mentioned the disadvantages and the critical stages that parties should consider such as risk sharing, cultural differences, communications on the management/senior level and the high complexity (Kogut 1988, Chowdhury & Chowdhury 2000, Yan & Lou 2001). As shown in chapter one and two, researchers have brought the agreement, the contractual bases, and the economic aspects as the core of this partnership. As well, they tried to divide their studies in the joint venture area due to its nature and its significance, especially if the formation is being considered with a business whose abilities or resources do not match or complement the other partner. However, the mentioning of commitment is mainly related to management and the contractual consideration, which includes certain terms for a particular event, contribution and ownership of assets, financial sharing and control.

Commitment is hard to measure, because it’s related to human behaviour. Researchers have been studying commitment for a long time, referring to it as a relationship and continuity. On the other hand, as shown in chapter two organizational commitments are less complex because it is limited to the relationship between the individuals and their organizations. In this respect, a theoretical problem was spotted related to employees’ commitment and joint venture. Gagne & Deci (2005) studied Cognitive evaluation theory (CET) and Self-determination theory (SDT) in relation to work motivation, and CET ought to be a comprehensive theory designed to explain the effects of external consequences on internal motivation. This implies that commitment itself has a connection with extrinsic rewards when used by the organization in order to leverage employee’s performance and increase the sense of loyalty, and their engagement. In this respect, individual, perform to reach self-satisfaction if they believe that they are doing a significant change within the organization. However, if the motivation were related to get an extrinsic payoff (additional payment, bonuses. etc.) then the level of motivation and commitment would decrease or change because the focus would be more related to tasks and rewards (e.g., Buchanan 1974, Chen et al., 2002, Gonzaliz & Gullien 2008, Mowday et al., 1979, Aziri 2011, Riketta 2002, Rhoades & Eisenberger 2002, Larson & Fukami 1984, Maanen 1975, Lin et al., 2013).

Joint ventures fails in certain scenarios, as was described in chapter 1. The findings of this research show that employees have moved from being part of the organizational commitment that any company should consider and work on, to provide its employees with enhanced sense of involvement toward the simple concept of tasks and rewards.

Theory that combines employees’ commitment with literature and research on joint ventures adds valuable insights for researchers. For example, it was noted that the external factors that are associated with joint venture are shifting employees’ commitment from being an active and dedicated employee to a task engager. Meyer & Allen (1993) described the emotional attachment, which was notable during the interview session. The interviewees showed a tight emotional connection to their organizations. However, the joint venture has created a level of uncertainty that supported the psychological changes that most likely occur. Meyer & Allen (1993) ell referred to the individual functioning which many arguments concentrated on the results and commitment,
where committed employees tend to have better results comparing with those who have lower level, which in this study would have a great probability to influence the joint venture purposes. Vance (2006) includes under commitment the personal attraction, values and cultural aspects. This is another struggle for employees when joint venture is being established, and when organizations are looking at their own values and do not consider some other values brought by newcomers in order to create an atmosphere that suits all.

To conclude, the findings suggest that joint venture strategy do not differ from each other greatly. On the other hand, commitment and its behavioural construction is the main area that needs to be developed in order to include the employees as success factor that influences the on-going procedures and the results.

6.3 Limitations
It is important to acknowledge that this research has some limitation that should be taken into consideration for future researches.

Firstly, the barriers, three interviews (A, C and D) conducted between the author and the interviewees are done via Skype and telephone which it did not create a major problem, however, it limited the interaction with them. Secondly, the English language is not the native language of the author nor the interviewee; therefore, there might be some misunderstanding with the meanings and/or explaining some situations. Thirdly, this research contains four cases from different industries and from different countries, the one common thing between them is that they are experiencing joint venture projects. Therefore, another industries/countries/employees may have different responses. Lastly, the interviewees didn’t share the same position, experience, and educations.

6.4 Implications
This research is limited to the influence of joint venture on employees’ commitment to the international companies. The practical implications are identified to the actions and strategies that companies are considering in order to influencing the employees’ commitment when they implement a joint venture strategy. Employees’ commitment is a very important part that participates in the success of the joint venture, and by implementing a well-designed strategy that includes all employees and makes them participate in it. Motivation, reward, knowledge-sharing, matching the values, and appreciate their extra efforts are important factors that influence the commitment and then it will be reflected positively on the company’s performance.

6.5 Recommendations for Future Research
For future researchers, it is advisable to include a larger sample. It is important to either consider one industry/sector or keep the diversity. It is recommended to avoid the email interview in case the participants didn’t understand any question and then leave it without an answer, and share the questions ahead of time if the interviews will be conducted remotely. A quantitative approach can be considered, however the sample should include companies with joint ventures and companies without joint venture, then measuring the differences between employees’ commitment can be doable.
The selected behaviour in this study covers parts of the employees’ commitment, however, it is assumed that this area can be investigated furthermore by expanding the research area to cover other behaviours and to relate different variables such as satisfaction, motivation, communication, roles and responsibilities, organizational maturity. Future researchers can as well investigate the Human Resources (HR) role in joint venture strategy and relate it with the employees’ commitment.
7 References


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