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EFFECTS OF HOFSTEDE'S CULTURAL FACTORS AND COMMITMENT ON IJV PERFORMANCE IN ASEAN COUNTRY OF THAILAND

Abstract:

This study focuses on the effect of Hofstede's cultural characteristics and commitment on international joint ventures (IJVs) performance in the Southeast Asian country context. The study has been provided the unpublished database of international joint venture (IJV) firms operating in Thailand from Thailand Board of Investment. The mail survey via questionnaire has been used as data collection method to obtain data from 89 target respondents, IJV managers. OLS regression is the main data analysis method of the study. The results indicate that all Hofstede's cultural characteristics of IJV managers have no direct significant effect on awareness of IJV importance, but individualism and power distance have been found the significant effect on commitment. Uncertainty avoidance and power distance directly and positively impact on team performance. Interestingly, power distance has negatively effect on the IJV performance. In addition, the study can find the partial mediating effect of awareness of IJV importance mediating the association between Hofstede's cultural characteristics and commitment, however, the moderating role of team commonality cannot be found. These results suggest that effective IJV managers have to effectively and efficiently manage the relationships, attempt to boost the commitment and the awareness of IJV importance, and robustly synergize the strengths among managers that come from different cultural background in order to successfully create better coordination and performance for organization.

Keywords:

Hofstede's Cultural Dimension, Commitment, Top Management Team, Strategic Alliances, International Joint Ventures

JEL Classification: M16, M14, Z10