

Towards a Better Understanding of the Antecedents of IJVs' Knowledge Acquisition and its Outcome: A Two-Fold Proposed Framework

***Tamma Elhachemi**

Abd. Rahim b. Jaguli

Fakhrorazi Ahmad

*School of International Studies,
Universiti Utara Malaysia*

*Correspondent author: elhachemi.im@gmail.com

ABSTRACT

In the era of globalization and technological advancement, developing and transition economies focus in seeking to attract FDI as means of obtaining capital and new technology. This in turn will open the door for local firms to enter into international joint ventures (IJVs) to acquire necessary capabilities by gaining access to foreign MNCs' resources, knowledge, and skills. While foreign partners have agreed to pool their capital, knowledge, and technology, however, there is no guarantee of successful ventures. Drawing upon the intensive literature on knowledge transfer and strategic alliances, this paper aims to present potential antecedents and consequences of IJVs' knowledge acquisition through proposing a two-fold conceptual framework to be tested empirically in future studies. The proposed framework suggests transfer mechanisms, management practices and formal mechanisms that link to IJVs' knowledge acquisition. These will in turn lead to IJVs' competitiveness. To support and justify the suggested framework, methodology and literature reviews are presented.

Keywords: *knowledge acquisition, transfer mechanisms, management practices, formal mechanisms, IJVs' competitiveness.*

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INTRODUCTION

In recent years, developing countries with the intention to advance their economic development have begun to focus on their strategies to attract FDI,

where FDI has become one of the most dynamic elements of international resource inflows to these countries (UNCTAD, 1999). According to Javorcik & Kaminski, (2008), governments in developing countries are seeking to improve their FDI-based development strategies through many favorable policies to attract MNCs' investments. These favorable conditions and environments are not only essential to attract FDI inflows but also to reap the potential benefits through acquiring foreign technology, knowledge, and other important externalities. Through the formation of IJVs, and within the setting of strategic alliances, there is a distinction between knowledge accession and knowledge acquisition (Grant & Baden-Fuller, 2004). IJVs enable parent firms to obtain economies of scale, expand into new markets, manage risk and innovation, learn new skills and technologies, and develop new products or services faster and more reliably than could be done by either firm alone (Beamish & Lupton, 2009; Damanpour, Devece, Chen, & Pothukuchi, 2012; Jiang, Keller, Qiu, & Ridley, 2018; Luo & Park, 2004).

However, the incidence of IJVs and alliances do not have a guarantee in success. IJVs are entities with particularly complex sets of policies and practices that can be difficult to manage, over half of these IJVs are experiencing failure (Bamford, Ernst, & Fubini, 2004; Park & Ungson, 1997). Furthermore, Anh et al., (2006) have claimed that the process of organizational learning in alliances as such in IJVs is difficult, often misunderstood, and commonly coupled with considerable frustrations. Given that, researchers are in need to conduct studies on factors that contribute to advancing IJV's knowledge acquisition from its foreign parent(s). Findings from such studies can inspire effective leaders to draw programs to enhance successful learning and improve IJVs stability and its general outcomes.

In line with Thi Thuc Anh, (2017), most of the previous literature have investigated the antecedents of IJVs' knowledge acquisition from their foreign partners in terms of cognitive perspective (e.g. absorptive capacity), social perspective (e.g. social capital), or integrating both perspectives (e.g. Dhanaraj, Lyles, Steensma, & Tihanyi, 2004; Lyles & Barden, 2000; Thi Thuc Anh & Baughn, 2013). Based on previous meta-analyses (e.g. Battistella, De Toni, & Pillon, 2016; Meier, 2011) and findings from a number of empirical studies on knowledge transfers in different contexts, such as knowledge transfer between partnering firms in strategic alliances, suppliers and buyers, and inter-firm collaborations, we also suggest that transfer mechanisms (Chen, Hsiao, & Chu, 2014; Elhachemi, Jaguli, & Ahmad, 2018; Williams, 2007), management practices (Elhachemi & Ahmadc, 2018; Evangelista,

2009; Nguyen & Aoyama, 2015), and formal mechanisms (Elhachemi & Ahmad, 2018; Liu, Li, Shi, & Liu, 2017; Zhang & Zhou, 2013) as facilitators of knowledge acquisition. These are rarely examined thus leaving a gap in the literature. Therefore, in light of all possible effects of independent variables, knowledge acquisition of IJVs cannot be recognized.

The rationale behind suggesting transfer mechanisms is because knowledge transfer is a socially collaborative construct and management scholars have long recognized its contextual nature (Björkman, Barner-Rasmussen, & Li, 2004; Cho & Lee, 2004; Foss & Pedersen, 2002; Lyles & Salk, 1996); transfer mechanisms are described as the way the recipient firms (of IJVs) involve in replicating and/or adapting knowledge from the sending firms (foreign partners) (Easterby-Smith, Lyles, & Tsang, 2008; Mason & Leek, 2008).

Management practices and formal mechanisms are often seen as the main assets of knowledge management (Lane & Lubatkin, 1998), and the use of knowledge management is important due to the fact that firms need the ability to create, transfer and apply knowledge, thereby makes it valuable, thus providing an alternative explanation for their existence (Teece, 1998). Management practices refers to the set of management activities in IJVs with the aim of improving the effectiveness and efficiency of organizational knowledge resources (Schiuma, Andreeva, & Kianto, 2012), and formal mechanisms are mechanisms that rely on legally and economically binding systems in the IJVs with their foreign partners to reduce opportunistic risks (Luo, 2007; Luo, Liu, Yang, Maksimov, & Hou, 2015). Accordingly, this paper proposes to investigate the impact of transfer mechanisms, management practice, and formal mechanisms on knowledge acquisition from foreign partners in the context of international joint ventures.

Knowledge acquisition is obviously not the only challenge and motive for all international joint ventures (IJVs), from the knowledge-based view (KBV) perspective, strategically oriented alliances often place strategic emphasis on IJVs as channels through which firms gain organizational knowledge embedded in their parent companies. Consequently, resulting in competitiveness and superior performance (Grant, 1996; Grant & Baden-Fuller, 1995). Despite of these arguments, it is important to understand the effect of IJVs' Knowledge acquisition on IJVs' competitiveness. However, with very few exceptions (e.g. Zhan, Chen, Erramilli, & Nguyen, 2009) there has been limited theoretical and empirical investigations on the understanding of whether the transferred resources and knowledge from foreign partners

have contributed and enhanced the competitiveness of these IJVs. Therefore, this paper presents a theory-based research evaluation approach as a basis for future studies to seek on the direct outcome and improve available concepts on the effectiveness of knowledge acquisitions from foreign partners.

The purpose of this conceptual paper is to contribute to the body of knowledge and practices related to IJVs' knowledge acquisition by proposing a comprehensive two-process model of IJV knowledge acquisition from foreign partner, whereby transfer mechanisms, management practices, and formal mechanisms are considered as the antecedents of knowledge acquisition, and these will consequently, lead to IJVs' competitiveness. This paper aims to answer the following questions. Do transfer mechanisms, management practices, and formal mechanisms have an effect on IJVs' knowledge acquisition from foreign partner? Which antecedents from the following factors; transfer mechanisms, management practices, and formal mechanisms have the most effect on IJVs' knowledge acquisition? Does IJVs' knowledge acquisition effect on IJVs' competitiveness?

Based on these research questions, this paper has posted the following research objectives: to determine the effect of transfer mechanisms, management practices, and formal mechanisms on IJVs' knowledge acquisition from foreign partners; to investigate which antecedents from the following factors: transfer mechanisms, management practices, and formal mechanisms that have the most effect on IJVs' knowledge acquisition; To study on the effects of IJVs' knowledge acquisition on IJVs' competitiveness. This paper also proposes transfer mechanisms through the process of replication and adaptation (Chen et al., 2014; Mason & Leek, 2008; Williams, 2007), management practices with single dimension management commitment (Elhachemi & Ahmadi, 2018; Evangelista, 2009), and formal mechanisms which consists of contract and control (Elhachemi & Ahmadi, 2018; Zhang & Zhou, 2013).

The methodology of this paper relied on library research and also the extensive evaluation of theoretical reviews in the literature on the subject of IJVs' knowledge acquisition from foreign partner in transitional economics. The library research includes online materials to article journals and chapters in books. References are based on online databases such as Scopus, Web of Science, Science Direct and Google Scholar. This paper is highlights IJVs' knowledge acquisition from the perspectives of foreign partners in transitional economics. The data used in this study covers the literature

for the period (1996-2017). And the first study was pioneered by (Lyles & Salk, 1996) and research studies on the same context are still ongoing till now, 2018. Therefore, deriving upon knowledge based views, transaction cost economics theories, previous arguments, gaps, and logical justifications; this paper suggests a conceptual framework with propositions and invites researchers to test it empirically and practically in the context of Algerian setting.

KNOWLEDGE ACQUISITION

KBV theory defines knowledge as a crucial factor to strengthen a firm's competitiveness and performance (Grant, 1996; Narteh, 2008; Nickerson & Zenger, 2004). Generally, knowledge acquisition depends on learning basic and important information and technology which can facilitate efficiency and effectiveness of an organization (Park, 2010). However, in this study, knowledge acquisition is considered as the course through which new knowledge is acquired. Whereas, new knowledge is viewed as new to the organization and not newly created knowledge (Anh, Baughn, Hang, & Neupert, 2006; Huber, 1991). Knowledge acquisition takes place when an IJV acquires its foreign parent firm's information and procedures. This new acquired information helps the acquired firm to modify its procedures according to the parent's firm, to achieve superior services, products and performance (Anh, 2017). IJVs' knowledge acquisition can be defined as the new foreign partners' knowledge that is acquired, absorbed, and applied by IJV to create the same production activities and management techniques, and reach similarly to the original economic organizations learning objectives (Nguyen & Aoyama, 2015; Sazali & Raduan, 2011).

After the acquisition of knowledge, an IJV will develop new abilities to encounter the environmental changes in order to develop the firm's efficiency (Chrysostome et al., 2013). However to develop these new abilities, firms must possess the needed resources and capabilities through which they can recognize and assimilate the new external knowledge. This will allow firms to replace their existing knowledge, thus commercially apply the new assimilated knowledge (Cohen & Levinthal, 1990). However, different firms have different types of resources and capabilities in transferring of knowledge. Therefore, transfer mechanisms management practices and formal mechanisms are considered as important factors that can potentially determine the extent of knowledge acquisition in an IJV.

TRANSFER MECHANISMS

An IJV have to deal with the nature of practiced knowledge in knowledge transfer. IJV and its members have to generate broad local transfer mechanisms to embed foreign knowledge in local settings. Transfer mechanisms are the modes by which firms conduct transfer of knowledge activities (Mason & Leek, 2008; Smith et al., 2008). Transfer mechanisms define how firms will interact and will transfer knowledge (Jasimuddin, 2007; Prévot & Spencer, 2006). In the process of transfer mechanisms, replication and adaptation of the knowledge are the main elements (Chen et al., 2014; Jasimuddin, 2007; Prévot & Spencer, 2006; Williams, 2007). More precisely, transfer mechanisms are the methods in which a firm utilize, replicate and adapt the information of a parent's firm (Easterby-Smith et al., 2008; Mason & Leek, 2008). Thus, a firm replicates the new knowledge because it is ambiguous, and adapts because it is contextual. Moreover, knowledge replication and adaptation depends upon knowledge discretion and comprehension respectively (Williams, 2007).

Replication of knowledge involves the alteration of existing operating procedures in compliance with the partner (Chen et al., 2014; Williams, 2007). Replication of knowledge is also crucial to inherent causal ambiguity in complex production processes (Lippman & Rumelt, 1982) to the point that it restrains the firm to identify basic operating knowledge. Hence, replication of knowledge enables the firm to exactly replicate the activities of a parent's firm without indulging in understanding the underlying phenomenon and resultant consequences of those activities (Williams, 2007), while ensuring the retention of important knowledge (Nonaka, Byosiere, Borucki, & Konno, 1994). However, these can result to prompt knowledge exchange in the case of acquiring complex and ambiguous knowledge (Winter, 1995). Therefore, an elevated replication needs precise training in order to achieve comparable results (Chen et al., 2014). For example, Intel has also utilized replication in their activities, particularly in the building of their semiconductor fabrications. They have instituted the copy exactly method starts with ensuring that every production to exactly replicate the same arrangements while building up new semiconductor fabrications (Williams, 2007).

Adaptation on the other hand, deals with modifications of processes to adapt the firm's new setting accordingly (Chen et al., 2014). Adaptation is only done because knowledge exchange facilitates IJV only when knowledge is compatible with the new settings. Hence, knowledge must be altered

according to the firm's operating environment. Because knowledge is dependent on environment (Penrose, 2009). However, knowledge gathering depends on tracks (Cohen & Levinthal, 1990), and is incorporated into the firm's routines through replication over a period of time (Nonaka, Krogh, & Voelpel, 2006). However, there is a possibility that transferred routines, although they are important in a parent's firm, may not be beneficial in an IJV (Madhok, 2006). Exchanged knowledge can be altered into new contexts due to various factors, such as divergent areas, novel relationships and unique organizational settings (Szulanski & Jensen, 2006).

In an empirical research study conducted by Williams (2007), it was found that replication and adaptation lead to successful knowledge transfer, which then leads to improved performance and productivity of recipient organization. Moreover, Chen et al. (2014) have found that through replication and adaptation of transfer mechanisms can improve knowledge transfer performance considerably by the mediating role of cooperative competency. In examining replication with knowledge transfer in the Chinese context setting, (Wang & Nicholas, 2005), researchers have found that the Chinese managers' replication of their Hong Kong parent's transferred knowledge was measured by the changes in the local manager's contribution to the accumulation of JVs' knowledge. This means, the more knowledge the Chinese's managers gained through imitation, the more they can contribute to the JV's level of knowledge. In regards to adaptation, (Pak, Ra, & Lee, 2015) have concluded that knowledge adaptation is a vital step in the knowledge management process and can be maximized to fit the transferred knowledge into the new culture and organizational context of IJVs. Finally, (Winter & Szulanski, 2001) in their empirical evidence has supported an alternative view of replication strategy which has described it as a process that involves a regime of exploration in which the business model is created, refined, and followed by a phase of exploitation in which the business model is stabilized and leveraged through large-scale replication.

MANAGEMENT PRACTICES

Management practices are significant indicators of knowledge processes and firm performance (Inkinen & Inkinen, 2016). Knowledge management practices are comprised of organizational routines, control and coordination mechanisms, and systems for managing knowledge management practices outcomes (Gray, 2001). The purpose of management practices is to accelerate

the efficiency and effectiveness of knowledge management in order to maximize the organization's benefits (Schiuma et al., 2012).

Among all knowledge management practices, management commitment is considered as the most important (Earl, 2003) because management commitment is often exhibited through the behaviors and attitudes of a firm's leaders in support of learning behaviors and attitudes (Pham & Swierczek, 2006; Senge, 1990). Management commitment defines organizational learning consequences (Lei, Slocum Jr, & Pitts, 1997). The essence of management commitment is to develop a firm's learning objectives and strategies, and the firm should strive to attain these objectives, and the commitment to this will enable the firm to achieve its dream for its excellence (Senge, 1990). The pledge to learning may facilitates to the creation of clear learning schedules, and procedures and routines in order to accomplish them (Simonin, 2004). Whereas, these benefits can only be yielded when the firm's leaders are committed and encourage learning behaviors and attitudes in the firm (Lei, Slocum, & Pitts, 1997; Pham & Swierczek, 2006; Senge, 1990).

However, the management commitment can only be achieved when a manager takes the responsibility to implement successful business plans (Keramati & Azadeh, 2007). Top management support is also important because it facilitates knowledge processes for a greater organizational learning thus create competency for advancement in services and products as well as to predict business risks and to cope with new market information (S. Lee, Gon Kim, & Kim, 2012). Moreover, managers can create a learning culture through incorporating of values in the organizations such as risk taking, courage, efficient communication, empowerment, and maximizing performance (Teare, 1998). Knowledge-oriented leadership empowers and promotes trust through the process of learning from knowledge exploration and exploitation practices. These practices further contribute towards the innovation of products, methods and procedures (Martín-de Castro, López-Sáez, Delgado-Verde, Donate, & Guadamillas, 2011). Therefore, management commitment can be considered as the core facilitator for organizational learning orientations and outcomes (Teare, 1998).

In the context of IJVs, leader's management commitment can be demonstrated through seminars, projects and discussions, as well as specific planning to encourage knowledge transfer. Learning based organizations synthesize their knowledge base through codification, documentation and construction of knowledge, and making it available through formal applications and

procedures (Mills & Friesen, 1992). These organizations can further advance their learning and policies structures for better learning process (Evangelista, 2009).

There are many studies which have proven the importance of leadership commitment in organizations. Most studies have shown that leadership commitment is utterly important for efficient technology transfer (Nguyen & Aoyama, 2012), organizational learning and performance (Thuy Pham & Swierczek, 2006). In the context of IJVs, a Vietnamese study has revealed that articulated goals enhance knowledge acquisition (Lyles & Salk, 1996). Another Vietnamese study on IJVs has suggested that management commitment can reduce conflict intensity which in turn can enhance learning (Tsang, Nguyen, & Erramilli, 2004). Another important consideration is that the positive effect of management commitment varies for both explicit and tacit knowledge (Evangelista, 2009). Conclusively, findings from the above discussed studies have suggested that management commitment enhances knowledge acquisition.

FORMAL MECHANISMS

It is necessary to formulate rules and regulations to organize duties and responsibilities prior to a joint venture of companies especially from two different countries. Therefore, formal governance is often established in organizations to deal with matters of knowledge exchange. Formal governance provides codes of conducts especially to block private motivating forces, to advance organizational certainty, and to prominently exchange inter firm duties (Zhang & Zhou, 2013).

Previous studies have suggested that combined utilization of formal mechanisms can help to flourish opportunistic behaviors, create internal and external strategic knowledge, establish knowledge sharing, and governance of explicit and tacit knowledge transfer (Frazier, Maltz, Antia, & Rindfleisch, 2009; Liu, Luo, & Liu, 2009; Luo, Liu, Zhang, & Huang, 2011; Li, Long, Li, & You, 2014; Zhang & Zhou, 2013). However, the relationship between formal mechanisms and knowledge transfer is highly debatable (Y. Liu et al., 2017). Therefore, this study focuses to examine the formal mechanisms in the context of international joint ventures through two dimensions; contract (Li, Poppo, & Zhou, 2010; Liu et al., 2017; Mayer & Argyres, 2004) and control (Farrell, Oczkowski, & Kharabsheh, 2011).

It is obvious that a contract agreement specifies the rules and duties of each partner, courses of action during conflict, and realization of key goals (Poppo & Zenger, 2002). Through explicit contracts, mutual expectations and precise behavioral boundaries can be stipulated (Parkhe, 1993a). A contract not only proposes behavioral patterns (Rousseau, 1995), but also specifies duties of parties involved, along with penalties in case of violation of agreement (Liu et al., 2009). Specification of promises, obligations and processes for dispute resolution often increases as the complexity of the contract increases. Therefore, complex contracts should enlist detailed roles and responsibilities, procedures for monitoring, penalties for non-compliance, and above all, determine the agreement outcomes (Poppo & Zenger, 2002).

Formal contracts are often protected by legal systems to prevent moral hazards and managerial disputes, which in turn facilitates exchange activities such as knowledge transfer (Zhang & Zhou, 2013). Such contracts require continuous information sharing and communication to create formal operating procedures (Liu et al., 2017). A nicely composed contract ensures knowledge exchange between partners by specifying the process of knowledge sharing, gain, and utilization, to attain overall objectives (Zhang & Zhou, 2013). These contracts favors the partners by preventing unwanted knowledge exploitation during knowledge exchange. Partners may have to bear economic and legal consequences in case of un-fulfillment of expectations (Li et al., 2010) therefore, a contract is crucial as it provides a formal ground for future interactions (Wacker et al., 2016).

There are many studies which illustrate the importance of contracts. A study based on 225 Chinese buyers and suppliers has revealed that contracts can enhance the quality and quantity of transferred knowledge (Liu et al., 2017). Contracts have also been found to restrain opportunism and improve relationship performance among the Chinese manufacturer-distributor dyads (Liu et al., 2009). Another study based on 168 foreign subsidiaries in China has suggested that detailed contracts can accelerate explicit knowledge acquisition (Li et al., 2010).

Unlike contract, control is based on observable decision making powers (Park & Choi, 2014). In the context of IJVs, control can be defined as the power of decision making in daily tasks, held by one partner (Choi & Beamish, 2004). The importance of control can be realized through its influence on knowledge acquisition. Appropriate control is crucial for organizational learning. As it simplifies knowledge exchange, accelerate the consumption of organizational

resources, and redefines organizational direction, in compliance with the new information (Makhija & Ganesh, 1997). Control arrangements are alluded and shaped over a period of time and decision making powers are divided among partners to manage the joint venture (Steensma & Lyles, 2000). Furthermore, control guides the authority and power among partners during knowledge exchange. These guidelines affect the quality and quantity of knowledge exchange during interactions between partners (Turner & Makhija, 2006).

Various studies have highlighted the importance of control. A research study on 343 manufacturer-supplier has supported the role of formal control in knowledge transfer (Zhang & Zhou, 2013). Another study was conducted in Korea has also suggested that control mechanisms such as; management control and operational control, have positive influence on organizational learning (Park & Choi, 2014). Furthermore, Luo (2007) has observed that managerial control can restrain partner opportunism in China. The study has also supported that process control is more effective in China as compared to the United States of America (Atuahene-Gima & Li, 2002). However, a partner's range of control can be influenced by knowledge and asset investment (Chalos & O'Connor, 2004). In the joint venture context, partners from the United States of America have considered control as an important tool for selective transfer and the protection of knowledge. However, the Chinese partners have perceived that the same set of control as important tools for selective transfer and the protection of asset investments (Atuahene-Gima & Li, 2002). Furthermore, the imbalance in management control structure between partners can cause parental conflict which can increase the likelihood of an IJV failure. However, the imbalance in ownership control structure does not cause conflict or IJV failure (Steensma & Lyles, 2000).

IJVs' COMPETITIVENESS

Porter's (1980) generic competitive strategies have explained that alternate market positions can provide competitive advantage through differentiation or cost reduction in order to gain better consumer values and margins. However, a firm's (IJV) competitiveness can be defined through a firm's market performance in comparison to its competitors (Wu, Wang, Chen, & Pan, 2008; W. p. Wu, 2008). Therefore, to gain competitive advantage, a company should put forward its dynamic capabilities of knowledge assimilation in its areas of expertise (Grant, 1996). However, to sustain competitive advantage, a company should learn to protect its knowledge by preventing knowledge

imitation and expropriation by its competitors (Liebeskind, 1996). Thus, a firm can gain competitive advantage through better knowledge management and learning (Liu, Chen, & Tsai, 2004).

Mostly companies form IJVs or any other form of alliances to gain necessary knowledge, expertise and other valuable possessions in order to fulfill their knowledge gap. Lack of knowledge can hinder the augmentation of a firm's abilities. That is why partnering firms in any form of alliances mostly own different but complementary knowledge and skills. Furthermore, the acquisition of required knowledge through IJV partner(s) not only can enhance firm's capabilities but also improves its allies' comparability. Concisely, enhanced capabilities can facilitate companies to counteract their market competitors (Fang, 2011). A company can also increase its market competitiveness through the integration of necessary information with its internal knowledge. Integration equips the company with complementary marketing abilities, prompt responsiveness to market changes, and innovative product offers (Fang & Zou, 2009; Zhou & Li, 2012). In the context of IJVs, foreign knowledge is compulsory for skill extension which will provide distinctive benefits to the company as compared to its rivals (Yli-Renko, Autio, & Sapienza, 2001) suggesting that knowledge-based assets gained through foreign parents can provide strong competitive advantage to an IJV.

The above discussion clarifies that knowledge contributes to sustainable competitive advantage and performance (Grant, 1996). Despite these developments, there are few studies that have supported the role of knowledge based resources to gain competitive advantage, including a conceptual study by (Hooley et al., 1996) which was conducted in Hungary, and an empirical study by (Zhan et al., 2009) which was conducted in Vietnam. However, little empirical investigation has been done to understand the contributions of transferred knowledge and resources to gain competitive advantage in IJVs. Therefore, more research studies should be conducted to analyze the relationship between transferred knowledge and resources from foreign partners.

PROPOSED CONCEPTUAL FRAMEWORK

The proposed framework (figure 1.1) for this paper is supported by both knowledge-based view (KBV) and transaction cost economics (TCE) theories, the paper has developed a two-fold model which contains transfer

mechanisms, management practices, and formal mechanisms as knowledge acquisition's antecedents and IJVs' innovativeness as knowledge acquisition's consequence.

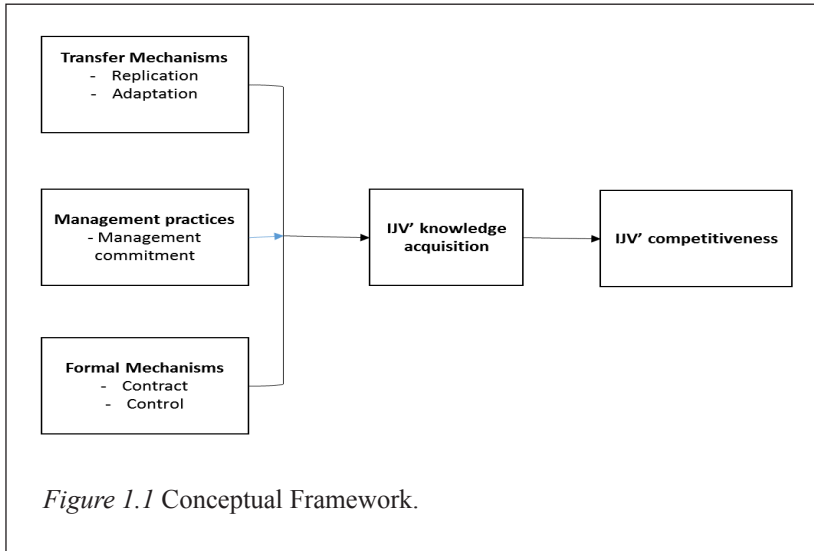


Figure 1.1 Conceptual Framework.

CONCLUSION

Over the recent decade, the number of researches on knowledge acquisition in the context of IJVs is increasing. The literature has covered on antecedents of knowledge acquisition; however, there is still lack of studies on other potential factors from different perspective. Previous researches have attempted to investigate facilitators of knowledge acquisition in term of absorptive capacity and social capital. Therefore, this paper has proposed each of transfer mechanisms, management practices, and formal mechanisms as antecedents to knowledge acquisition. Furthermore, this paper contributes to enhance the literature by proposing the effect of knowledge acquisition on IJVs' competitiveness. To sum up, this study contributes to the body of knowledge, theoretically, empirically, and practically. First, theoretically this study has proposed a comprehensive two-fold model with a framework that has never been integrated before. Secondly, the relationships between the variables can be empirically tested in future. Finally, the research has been practically investigated in the context of a developing country setting, (e.g.

Algeria). Therefore, we strongly invite researchers to further investigate in the field of knowledge acquisition in IJVs. The results of such research can contribute to the rationale of outlining policies in the aspects of IJVs' knowledge acquisition. The study findings might be also helpful to anxious researchers, independent organizations, consultants, and practitioners in their pursuance to accomplish competitiveness.

Like any other scientific researches, this paper also has limitations and directions of future studies. The first limitation is IJVs' knowledge acquisition from foreign partner, whereby this paper has suggested three antecedents and one determinant. Therefore, it is strongly recommended that future studies should test this model by adding other vital predictors of knowledge acquisition such as; environmental uncertainty and IJVs' absorptive capacity in order to provide new insights to the body of knowledge, particularly on the relationship between such variables. Additionally, future studies are also recommended to test another variable such as IJVs' innovativeness.

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