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THE ROLE OF KNOWLEDGE TRANSFER AND CULTURAL DISTANCE ON INTERNATIONAL JOINT VENTURE PERFORMANCE IN THAILAND

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DOCTOR OF PHILOSOPHY
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THE ROLE OF KNOWLEDGE TRANSFER AND CULTURAL DISTANCE ON INTERNATIONAL JOINT VENTURE PERFORMANCE IN THAILAND

By

BUPPACHAT TAENGKLIANG

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ABSTRACT

This study examines the relationship between antecedent variables (local partner’s intent to learn, local partner’s capacity to learn, local partner’s experience, foreign partner’s capacity to transfer, foreign partner’s willingness to transfer, and knowledge transfer mechanism) and knowledge transfer on international joint venture (IJV) firms’ performance in Thailand. It also aims to investigate how cultural distance moderates the impact of the relationship between knowledge transfer and IJV firms’ performance. The investigation is based on resource-based view of firm theory, knowledge based view theory and organizational learning theory. The research framework was developed and eight hypotheses were posited and tested. This research employs quantitative method by using questionnaire survey. Survey questionnaires were mailed and hand-delivered to the respondents. Questionnaires were distributed to 476 IJV firms. 160 of the IJV firms responded to the survey, which gave a 33.61 percent response rate. The data were analysed using the Statistical Package for Social Science. The results revealed that each of the antecedent variables and knowledge transfer have relationship with IJV firms’ performance. However, the moderating effect of cultural distance has no significant relationship between knowledge transfer and IJV firms’ performance. The implications of the study offer into two main benefits: firstly, the contribution to the body of knowledge in the research context which encompass the key factors in knowledge transfer that should be considered and generalized; and secondly, the inputs to the practical level particularly in the IJV firms which indicate that top managers should understand knowledge transfer to achieve better performance in IJV firms. The present study also highlights the recommendation for future research as well as the limitations of the study.

**Keywords:** knowledge transfer, cultural distance, international joint venture firms’ performance, Thailand

Kata kunci: pindahan pengetahuan, jarak budaya, prestasi syarikat usahasama antarabangsa, Thailand
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>IJV</td>
<td>International Joint Venture</td>
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<tr>
<td>CL</td>
<td>Capacity to Learn</td>
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<td>IL</td>
<td>Intent to Learn</td>
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<td>EX</td>
<td>Experience</td>
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<td>WT</td>
<td>Willingness to Transfer</td>
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<td>CT</td>
<td>Capacity to Transfer</td>
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<td>KT</td>
<td>Knowledge Transfer</td>
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<td>KTU</td>
<td>Overall Knowledge Transfer</td>
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<td>CD</td>
<td>Cultural Distance</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
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<td>BOI</td>
<td>Board of Investment of Thailand</td>
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<td>NICs</td>
<td>Newly Industrialized Countries</td>
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<td>RBV</td>
<td>Resource Based View Theory</td>
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CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Foreign Direct Investment (FDI) is a major source of capital inflow into developing countries. Due to its relative immobility and concentration on high stake long-term profit, FDI has long been considered to be conducive to the economic growth of developing countries (Lee & Tan, 2006). FDI is becoming increasingly significant in economic and long-term growth; Southeast Asian countries benefit from foreign investments by gaining a competitive advantage in the global market. Foreign investment fosters new skills and technologies, creates new networking opportunities and increases management and marketing skills (Yue, Freeman, Bijit & Urata, 1999; Wisarn & Bunluasak, 1994; Amerasinghe & Modesto, 2010). Investments from foreign sources provide capital for growth and promote greater economic stability for Southeast Asian nations (Fan & Dickie, 2000). Moreover, Li and Liu, (2005); and Alfaro, Chanda, Ozan and Sayek (2004), posits that FDI affects economic growth and FDI has made possible not only accesses to large volumes of capital resources and foreign exchange, but also access to technology, managerial expertise, marketing skills and marketing networks.

According to Borensztein, De Gregorio and Lee (1998), FDI results in technology diffusion necessary for economic growth through a process of ‘capital deepening’. FDI provides capital for continuing and creating new commercial or industrial activity, when there is a reduction in capital from other sources (Noorbakhsh, Paloni &
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REFFERENCE


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