

# Acquiring tacit and explicit marketing knowledge from foreign partners in IJVs

Le Nguyen Hau <sup>a</sup>, Felicitas Evangelista <sup>b,\*</sup>

<sup>a</sup> School of Industrial Management, HoChiMinh City University of Technology, Vietnam

<sup>b</sup> School of Marketing, University of Western Sydney, Australia

Received 1 March 2006; received in revised form 1 February 2007; accepted 1 April 2007

## Abstract

The focus of this paper is on the acquisition of tacit and explicit marketing knowledge from foreign partners in international joint ventures. Based on a literature review, a number of antecedents are identified and a model is tested using data obtained from 219 IJVs in Vietnam. Factors related to both knowledge seekers and knowledge holders, and the cultural distances between them are found to have a significant impact on the acquisition of marketing knowledge from foreign partners.

© 2007 Elsevier Inc. All rights reserved.

*Keywords:* Tacit knowledge; Explicit knowledge; Marketing know-how; Knowledge acquisition; International joint venture; Vietnam

## 1. Introduction

Knowledge management issues in cross-national alliances have engaged the attention of academic scholars in recent years (Eunni et al., 2006). Many firms are seizing the opportunity to acquire new knowledge through these collaborative arrangements. The ability to seek, absorb, and transfer knowledge from collaborative arrangements has become a crucial skill (Osland and Yaprak, 1995) leading to the suggestion that a strategic alliance should be regarded as a learning battlefield (Hamel, 1991). Among the various forms of strategic alliances, international joint ventures provide an excellent environment for inter-partner learning particularly between partner-firms in developed and developing countries (Tsang et al., 2004). Learning in international joint ventures is thus perceived as a means of acquiring knowledge, collaborative know-how and collective experience.

In reviewing the literature on inter-partner learning, we identified three research issues upon which this paper is developed. The first relates to the process of knowledge acquisition i.e. how knowledge is acquired or transferred across

partner-firms and what factors facilitate or inhibit the process. A number of studies have attempted to address these issues (e.g. Tsang et al., 2004; Chen, 2004; Si and Bruton, 1999; Sharma, 1998, Mohr and Sengupta, 2002; Lyles and Salk, 1996; Simonin, 1999a,b; Dussauge et al., 2000; Bresman et al., 1999), however, most of them have confined themselves to theoretical analyses and propositions (Tiemessen et al., 1997; Inkpen, 2005; Mohr and Sengupta, 2002). Only a few have taken one further step to empirically test their hypotheses and of those who did, many have not been successful (Lyles et al., 1999; Simonin, 1999a,b). There is thus, a need for empirically based studies to provide quantitative evidence for the theoretical propositions about inter-partner learning (Simonin, 1999a,b; Mohr and Sengupta, 2002).

The second issue is about the tacitness of knowledge. Researchers have been concerned with the transferability of different forms of knowledge with regard to their tacitness. Explicit knowledge such as product technologies, physical distribution methods, and promotion techniques may be easily transferred inter-organizationally. However, tacit knowledge such as intangible relational skills is more difficult to absorb and share (Loebecke et al., 1999). The notion of different mechanisms required for transferring tacit and explicit knowledge across partners would lead to the argument that factors facilitating the acquisition of explicit knowledge may not have

\* Corresponding author. Locked Bag 1797, Penrith South NSW 1797, Australia. Tel.: +61 2 9685 9687; fax: +61 2 9685 9612.

E-mail address: [f.evangelista@uws.edu.au](mailto:f.evangelista@uws.edu.au) (F. Evangelista).

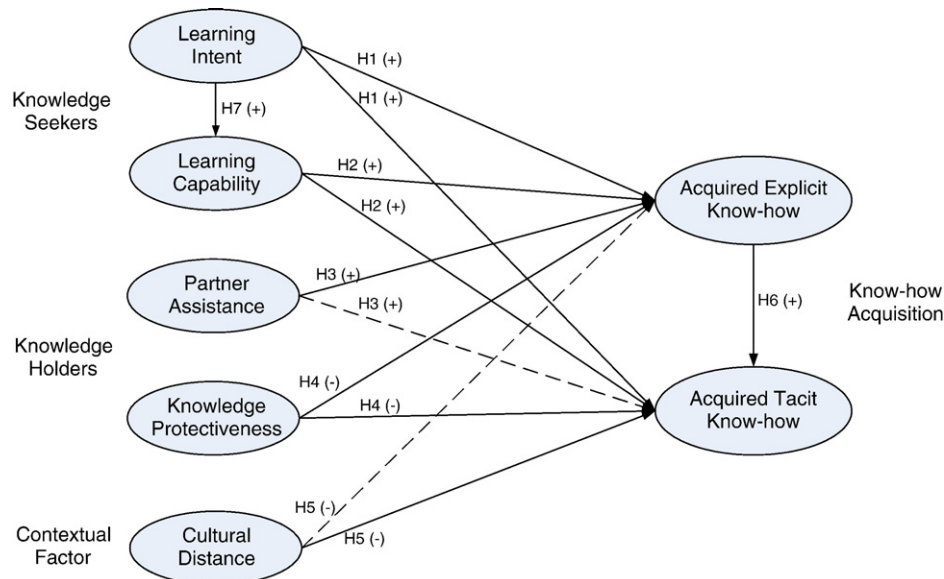


Fig. 1. Relational links between knowledge acquisition and some antecedents.

the same impact on tacit knowledge and vice versa. To address this question would require an investigation of both tacit and explicit knowledge as two distinct constructs. The acquisition of both tacit and explicit knowledge across partners is still relatively unexplored and not fully understood (Herrgard, 2000; Cavusgil et al., 2003).

The third issue has to do with the type of knowledge being transferred. In the past, studies of knowledge transfer have almost invariably turned to technology transfer when empirical investigation was in order (Simonin, 1999a). In more recent times, there has been a growing interest on the acquisition of managerial knowledge particularly in international strategic alliances involving partners from developing countries (e.g. Si and Bruton, 1999; Tsang, 2001; Luo and Peng, 1999; Liu and Vince, 1999). Some of these studies were on the acquisition of industry-specific knowledge such as technology or manufacturing know-how (Lam, 1997; Bresman et al., 1999), market-specific knowledge such as business environment knowledge and product-market knowledge (Geppert and Clark, 2003; Griffith et al., 2001) and organization-specific knowledge such as managerial skills (Wong et al., 2002). One area that has been relatively neglected and requiring more attention is marketing knowledge (Wong et al., 2002).

This study is undertaken to address the research issues described above. Our objective is to identify the factors that facilitate or inhibit the acquisition of tacit and explicit marketing knowledge by local partners from their foreign counterparts in international joint ventures. We also take the further step of empirically testing our hypotheses using survey data obtained from IJVs in Vietnam. Our focus on marketing knowledge is not only to respond to the research gap described earlier, but also to emphasize the emerging learning needs of partner-firms in developing countries (Si and Bruton, 1999; Tsang et al., 2004; Danis and Parkhe, 2002).

This paper is organized as follows. Following this introduction, the next two sections are devoted to the conceptual framework and research method adopted in this study. The

results and discussion, managerial implications and limitations comprise the last three sections of this paper. In order to emphasize the learning process from the learner's point of view, the current study adopts the term "knowledge acquisition" to refer to the transfer of knowledge from foreign to local partner.

## 2. Conceptual framework

Previous research suggests that four sets of factors are likely to influence knowledge transfer (Szulanski, 1996) namely: type of knowledge, source, the recipient and the context in which the transfer takes place. In this study, we have decided to focus on explicit and tacit marketing knowledge and thus, only the remaining three factors are examined as potential facilitators of knowledge acquisition from foreign partners. The model in Fig. 1 depicts the relational links between the constructs representing source (knowledge holders), recipient (knowledge seekers) and context (culture) on one hand, and tacit and explicit knowledge acquisition on the other. It also indicates the hypothesized relationship between the two forms of acquired know-how. Further questions to be explored in the current research are whether the learning intent of the local partner has a positive effect on its learning capability and whether environmental challenges faced by IJVs has a moderating role in the hypothesized relationships.

In this figure, the +/- signs indicate the positive or negative associations, whereas the broken/unbroken lines indicate the relative strength of the hypothesized association. The arrows with an unbroken line indicate stronger causal relationships while the arrows with a broken line represent a weaker (or insignificant) relationship.

### 2.1. Explicit and tacit knowledge

The selection of marketing know-how as a specific focus in the current research is based on the notion that learning of

management knowledge (including marketing knowledge) is much more complicated than that of technology knowledge because management knowledge is culturally and socially impeded (Wong et al., 2002). This type of knowledge is highly system dependent and less product observable (Zander and Kogut, 1995). It is a kind of practical knowledge which consists of declarative knowledge or “know-what” and procedural knowledge or “know-how” (Simonin, 1999a; Hackley, 1999; Gronhaug, 2002). As for the epistemological dimension, there are two kinds of knowledge: explicit and tacit (Polanyi, 1958). Tacit knowledge is defined as knowledge which is intuitive, unarticulated, non-verbalized or even non-verbalizable. These are knowledge that is embedded in the social and administrative fabric of a company (Badaracco, 1991). They cannot be translated into a formula or a computer program and would usually fall in the domain of subjective, cognitive and experiential learning. Some examples of tacit knowledge are intuition, rule-of-thumb, gut feeling and personal and organizational skills. Explicit knowledge, in contrast, deals with more objective, rational and technical knowledge. It is articulated knowledge, which can be specified verbally or in writing such as computer programs, patents, drawings, concepts or formulas. Explicit knowledge can be codified, and it tends to be easily documented and more available in public discourse (Hackley, 1999). It is this feature that makes it easier to disseminate widely and less unique to the knowledge holder in terms of creating competitive advantage. In contrast, tacit knowledge is obtained by internal individual processes like experience, reflection, internalization or individual talents. It cannot be managed and taught in the same manner as explicit knowledge (Herrgard, 2000). These attributes create the major difference in the learning of the two forms of knowledge. While explicit knowledge can be transferred via various ways and can migrate or move around the world in seconds, the transfer of tacit or embedded knowledge is very slow (Badaracco, 1991) and it requires extended social contact (Nonaka et al., 2000).

There are two different views of the tacitness of a particular body of knowledge (i.e. technology, manufacturing and marketing). The first views a whole body of knowledge as fitting into one specific point in the tacit-explicit continuum (Simonin, 1999a; Kogut and Zander, 1995; Cavusgil et al., 2003). The current research adopts the second view of Hackley (1999) who advocates that the whole body of marketing knowledge comprises many particles. Some particles are tacit and others are explicit. As a result, the body of marketing knowledge that is transferred from foreign to local partner is a mix of two different types.

## 2.2. Knowledge seeker (local partner)

The process of transferring and acquiring knowledge certainly involves two key players, the knowledge holder and the knowledge receiver. The result of knowledge acquisition depends upon the effort of both sides of which the learners may play a more important role. This is especially the case in adult learning where the learners’ intent and capability are critical (Hurley, 2002). Previous studies show that a number of factors

are related to the learner’s side which have been identified as determinants of learning effectiveness such as absorptive capacity (Cohen and Levinthal, 1990), learning capacity (Lyles and Salk, 1996), prior knowledge/experience (Simonin, 1999b), learning intention or objective (Inkpen, 1998a,b) and knowledge relatedness (Inkpen, 2000). A closer analysis of the implications of these terms results in the suggestion of two underlying factors, learning intent and learning capability (Tsang, 2001; Hamel, 1991; Mowery et al., 1996; Lyles et al., 1999; Moon, 1999).

### 2.2.1. Learning intent

Upon knowing that the foreign partner possesses valuable knowledge, the local firm entering the IJV may have different intents or motivations to that knowledge. Hamel (1991) and Inkpen (1998a,b, 2000) found that in some IJVs, firms are only interested in gaining access to the partner’s knowledge and in using the IJV as a substitute for knowledge which they cannot create on their own. Consequently, they may place a relatively low value on knowledge acquisition from their partners. In other IJVs, the local firms could aggressively seek to acquire knowledge from their partners. This intent is found to be strongest in firms that view competitiveness as competence-based rather than product-based and those that seek to close the knowledge gap rather than to rely on the foreign partner for any knowledge shortage (Hamel, 1991).

In the current research, learning intent is defined as the extent of desire and will of the local partner to acquire marketing knowledge from its foreign partner (Tsang, 2002) and to internalize the other firm’s knowledge and skills (Hamel, 1991). For example, in a study of Hungarian–Western alliances, Danis and Parkhe (2002) stressed that for Hungarian partners, “learning new managerial methods is critical for survival in the competitive and liberating local environment” (p. 444).

In the same vein, Hamel (1991) suggests that a partner’s intent to internalize the other’s skills is a key determinant of learning. The stronger the intent, the higher the chance that the partner will win the learning race because a desire to acquire the other partner’s skills is often one of the major motives behind the effort and resources spent for learning. Similarly, Tsang (1999) asserts that although learning intent is not a necessary condition for learning, especially experiential learning, the presence of learning intent in a company is the first step towards effective learning. A company can learn better and faster if it has the intent to do so. The articulation of learning intent would focus on a company’s learning effort and heighten its awareness of the need for learning. Learning intent is likely to be the major driving force behind the efforts (Inkpen, 2000; Hamel, 1991) and the resources allocated for learning (Inkpen, 2005). Likewise, “a strong motivation to learn represents the first important step in removing organizational barriers that may hinder the allocation of resources for the learning purpose” (Kalling, 2003, p. 839).

From the adult learning perspective, when being motivated, local members would spend their time and effort on learning and making enquiries (Hurley, 2002). They would take opportunities to participate actively in formal training and to carefully study

documents, procedures and guidelines. They would communicate with their foreign partner and observe their partner's behavior, to know what they are doing and how they handle things. They try to imitate their partner's skills to improve their own performance. They take initiative to handle the challenging tasks and problems under the coach of the foreign staff who is assumed to be more superior. In the collaborating process they spend time to share experiences with their partner (Tsang, 2001). All of these activities would help them acquire both tacit and explicit knowledge from their foreign partner (Ko et al., 2005). Therefore, it is hypothesized that:

**H1.** *The learning intent of the local partner has a positive influence on the acquisition of both explicit and tacit marketing know-how.*

### 2.2.2. Learning capability

The term "learning capability" is closely related to the concept of receptivity or a firm's ability to absorb new knowledge from its JV partner (Hamel, 1991). An individual with a high learning capability is capable of internalizing the other partner's skills more effectively than someone with a lower capability. Cohen and Levinthal (1990) employ the term absorptive capability for a similar meaning. They argue that the premise of the notion of absorptive capacity is that the organization needs prior related knowledge to assimilate and to use new knowledge. Thus, effective learning requires not only the combination of different types of knowledge but also the combination of present and past knowledge. Inkpen (2000) points out that learning performance will be enhanced when the object of learning is related to what is already known. Similarly, Powell et al. (1996) argue that knowledge facilitates the use of other knowledge and what can be learned is crucially affected by what is already known. As expressed by Brockmann and Anthony (2002): "the more we know, the more we can learn" (p. 439). These are congruent to the term learning capability.

The learning capability of individuals seconded from the local partner-firm to the IJV is very important because knowledge acquisition depends heavily on the learners, as knowledge can only be learned, not transferred in its original form (Brockmann and Anthony, 1998). When knowledge is being transferred from one person to another, knowledge is interpreted by the receiver's existing stock of knowledge and experience. It may have different meaning and value in the new contextual setting. Therefore, upon being transferred and integrated into the new individual's mental model, knowledge could be transformed. This is the reason why the current research prefers the term "learning capability" instead of "receptivity" although both imply the same meaning.

Prior knowledge, learning skills and experiences of the individuals selected for the partnership are critical in ensuring that knowledge is moved smoothly, and that the same meaning and value are retained during the transfer. The receptor partner must be competent to receive and be capable of interpreting and assembling the knowledge gained from the knowledge holder. The knowledge and benchmarking skills of the receptor should be congruent with the knowledge that is intended to be absorbed

through the IJV (Saxton, 1997). These conditions are most likely met in those IJVs where partners come from the same industry or are potential competitors. Previous researches have cited many cases of IJV between rival firms in the same industry in developed countries such as IJVs in the telecom/electronic or automobile industries, between Japanese, European and US firms (Dussauge et al., 2000). In these cases, there is only a small gap in the knowledge and experience of partner staff working together in the JV. Therefore, with a learning intent, they are likely to be able to imitate their partner's knowledge and skills. However, in IJVs involving partners in the same industry but from developed and developing countries (or between partners in a vertical chain), the personnel in the latter countries may be significantly less knowledgeable and experienced than in the former. Without a strong motivation and a strong learning support, the acquisition of knowledge by the local partners in such situations may yield only moderate results. The capability for inter-partner learning would tend to be higher in IJVs between rival firms operating in countries of the same level of economic/technology advancement than between firms in developing and developed countries. These theoretical arguments have been supported by the empirical research of Lane and Lubatkin (1998). Following Cohen and Levinthal (1990), they tested the effects of absorptive capability on inter-firm learning and found that (a) the firm's ability to recognize and value new knowledge, (b) ability to assimilate new knowledge, and (c) ability to commercialize new knowledge, have a positive impact on knowledge transfer. Szulanski (1996) also found empirical support for the hypothesis that "lack of absorptive capacity of the recipient" (p. 36) is one of the most important barriers to knowledge transfer. Applying the above arguments to the learning of marketing know-how, it is hypothesized that:

**H2.** *The learning capability of the local partner has a positive influence on the acquisition of both explicit and tacit marketing know-how.*

### 2.3. Knowledge holder (foreign partner)

The effectiveness of learning through IJVs does not solely rest on the learning intent and learning capabilities of local members. It also depends on the source of knowledge. As a prerequisite, the source must be richer in knowledge. Foreign personnel who work at the contact points with the local partner must be knowledgeable enough to form a knowledge gap between the transferor and the transferee. Once being knowledgeable, local members perceive these people as reliable and valuable sources of knowledge (Szulanski, 1996; Inkpen, 1998a,b). Within an IJV involving partners from more developed countries and local partners in developing or transitional economies, the literature shows that there is commonly a gap between the two in terms of management knowledge including marketing know-how (Tsang, 2001; Danis and Parkhe, 2002; Si and Bruton, 1999; Lyles and Salk, 1996). Consequently, it is assumed that the foreign partner has more valuable marketing know-how than the local partner (Inkpen, 1998a,b). Apart from the knowledge gap, the effectiveness of knowledge acquisition depends on the support and willingness of

the foreign partner to fully cooperate (Simonin, 1999b). This is because “knowledge must be accessible before it can be acquired” (Inkpen, 2000, p. 1030). Based on the literature, it is proposed that two factors namely, partner assistance (Lyles et al., 1999) and knowledge protectiveness (Simonin, 1999a,b) are important in making knowledge accessible to knowledge seekers.

### 2.3.1. Partner assistance

Partner assistance refers to the extent to which a foreign parent provides assistance to the IJV management with respect to marketing knowledge. It is based on the term “parent assistance” used by Lyles et al. (1999) who maintain that “the extent to which a foreign parent provides assistance to the IJV management will influence the effectiveness of the IJV” (p. 6). In order to maintain an acceptable level of managerial efficiency, foreign parents must be prepared to transfer a significant amount of knowledge to the local workforce through training programs or contacts between local and foreign employees. The degree to which a foreign partner has explicit contribution in terms of training of the local workforce should be positively associated with the degree to which an IJV acquires explicit knowledge from its foreign parent (Simonin, 1999b).

In developing or transitional economies, the foreign parent of an IJV may be a vital source of both tacit and explicit knowledge (Danis and Parkhe, 2002). In a study of IJVs in China, Tsang (2001) suggests that the commitment of human resources in terms of quantity and quality of expatriate managers assigned to China is an important factor affecting the learning of local partners. Likewise, Lyles et al. (1999) empirically found that the degree to which the explicit contribution of a foreign parent with respect to managerial know-how is positively associated with the degree to which an IJV has acquired explicit knowledge from them. These activities emphasize training and development of the local workforce as formal measures for enhancing the capability of the IJVs human resource. While foreign partners certainly provide facilitating conditions for acquiring explicit knowledge, their assistance may not include incentives for nurturing a climate that is featured by close social interactions and working collaborations that are associated with the acquisition of tacit knowledge. Therefore, in this study, it is hypothesized that:

**H3.** *Partner assistance provided by the foreign partner in an IJV has a greater positive influence on the acquisition of explicit than of tacit marketing know-how.*

### 2.3.2. Knowledge protectiveness

Knowledge protectiveness refers to the extent of hurdles caused intentionally or unintentionally by foreign members that disrupt the communications between foreign and local members in an IJV. Knowledge protectiveness can be attributed to two reasons: the competitive nature of the partnership and the motivation of knowledge holders. When forming a joint venture, partners contribute their resources and competencies with the expectation of enjoying the synergy of resource complementarity such as gaining market power or improving efficiency. However, in a situation of high competitive overlap

between partners, there is a risk of competencies being imitated by the other partner during the collaboration which results in a change in the relative bargaining power within the alliance (Dussauge et al., 2000). The tension between knowledge sharing and knowledge protection causes a “learning paradox” which is well documented in the alliance literature (Jordan and Lowe, 2004). Hamel (1991) finds that a partner who understands the link between inter-partner learning, bargaining power and competitiveness will tend to view the alliance as a race to learn. In this learning race, the faster a partner learns and the better it protects its own competencies, the more advantage it can gain from the collaboration. Inkpen (2000) addresses the issue of knowledge protectiveness as a concern of knowledge spillover that occurs when valuable firm knowledge spills out to competitors and when competitors can use this knowledge to gain competitive advantage. He advocates that knowledge spillover to an alliance partner has the potential of shifting bargaining power that in turn could lead to changes in inter-partner relationships. From a competitive viewpoint, a loss of knowledge by one partner may result in the creation of a new or stronger competitor (Inkpen, 2000). Therefore, firms in an alliance may be reluctant to share knowledge with their partners resulting in knowledge protection. This is particularly critical in situations where knowledge contributes to the core competencies of the partner such as technology know-how or management know-how. If the partner-firms are competitors or potential competitors, it seems reasonable to assume that they would be protective of their knowledge resources (Inkpen, 1998a,b; Wong et al., 2002). With knowledge protection in mind, some partners can be less transparent or less open than others (Hamel, 1991). The lack of transparency between partners can be achieved through active means such as the adoption of strict policies or shielding mechanisms aiming at protecting key competencies (Inkpen and Beamish, 1997). Gatekeepers can be assigned to filter information access and disclosure across organizational boundaries. These mechanisms can restrict the flow of explicit knowledge from one partner to another, especially knowledge that is perceived to be valuable to the holders. Moreover, the protective mind could hinder the acquisition of tacit knowledge. For instance, through astute partitioning of tasks and intentional physical separation of foreign and local members, proprietary technology can be protected from imitation (Baughn et al., 1997). This is because acquisition of tacit knowledge requires “continuous and intense contact between individual members of the alliance partners” (Kale et al., 2000, p. 232).

Knowledge protectiveness also increases when the knowledge holders lack motivation to share knowledge. Apart from the fear of losing core competencies to the potential competitor, lack of motivation may be due to the fear of losing ownership, losing a position of privilege, and inadequate rewards. Szulanski (1996) points out that lack of motivation at the source of knowledge is likely a cause of difficulty in knowledge acquisition. When partners are not interested in sharing their own knowledge, they are unwilling to devote time and resources towards that end. This would hinder the sharing of practical know-how at both explicit and tacit levels due to two

reasons. First, the learning process requires that time and effort be devoted to knowledge externalization and the documentation of explicit knowledge. Second, it requires the inputs of knowledge holders in the iterations of observation–reflection–experiment–feedback of learners. As a result, the acquisition of both tacit and explicit knowledge is affected seriously when the knowledge holders lack motivation.

Although there is theoretical support to the argument that partner protectiveness is negatively associated with knowledge sharing between partners, empirical evidence is lacking. Simonin (1999a,b) studied two samples of 147 and 151 multinationals in the U.S. to examine the role played by the “causally ambiguous” nature of knowledge in the process of knowledge transfer between alliance partners. However, in both studies he did not find statistically significant evidence to support his hypothesis that protectiveness is an antecedent of knowledge ambiguity which in turn contributes greatly to the effectiveness of knowledge transfer between partners. Simonin (1999b) suggests that this result may be due to two factors. First, partner protectiveness may not always be detectable or observable. Therefore, a single informant approach to empirical data collection may have only contributed to a partial view of the construct. Secondly, it may well be rooted in the close interplay between protectiveness and opportunism and consequently between collaborative viability and failure. Strong protectiveness is likely to lead to irreparable conflicts and an early termination of the alliance. Whereas “most of the alliances under study were still active, acute cases of protectiveness associated with failed or failing alliances may not have been detectable” (p. 615). Therefore, this issue is worthy of further empirical testing. In the IJV context of this research, it is argued that there is a negative association between partner protectiveness and knowledge acquisition by the local partner. It is hypothesized that:

**H4.** *Knowledge protectiveness has a negative influence on the acquisition of both tacit and explicit marketing know-how.*

#### 2.4. Context (cultural distance)

The cultural distance between partners is one contextual factor that stands out in the literature as having an important role in IJV learning (e.g., Lyles and Salk, 1996; Mowery et al., 1996). Cultural distance can be defined as the resulting vector of culture-based factors (i.e. languages, values, norms or meanings) that impede the flow of information between partners (Johanson and Vahlne, 1977). The difference or distance between two cultures however has little relevance until these cultures are brought into contact (Shenkar, 2001). In the case of an IJV, cultural distance can produce friction when the parent firms interact with each other at various phases of the IJVs life. At the operations phase, the cultural differences between the individuals or units in the parent firms who interact with each other on a day-to-day basis are a likely source of friction. Where two cultures are set apart, some mechanisms for closing or exacerbating this difference can be adopted (Shenkar, 2001). If closing the distance is not achieved, conflicts would arise

leading to such consequences as limited flow of information and learning (Lyles and Salk, 1996) and high IJV dissolution rates (Hennart and Zeng, 2002).

Why does culture play such an important role in IJV learning? Hennart and Zeng (2002) explain that individuals living in a particular country tend to share similar values, and they bring these values to the firms for which they work. Thus, a firm’s values are largely a reflection of its national culture, and IJV parents based in different countries will tend to have different values. These differences in values will in turn make it more difficult for them to understand and to communicate, especially in highly subtle or contextual situations. Parents of joint ventures that come from different cultures will also have different mother tongues which can cause communication difficulties. Verbal communication may suffer from both perceptual and encoding/decoding gaps. While these problems should not be underestimated, the problems involved in interpreting nonverbal cues can be more serious. Failures of IJV members to quickly learn about each other may lead to misunderstandings and suspicion, and eventually to lower commitment and trust (Hennart and Zeng, 2002). As for Simonin (1999a,b), cultural distance matters for two reasons. First, cultural distance raises barriers for understanding partners. In this respect, the lack of fluency in a partner’s native language may constitute the greatest obstacle since even well codified knowledge remains inaccessible. Second, cultural distance creates difficulties in identifying the values and meanings of nonverbal behavior of the partner’s members.

According to Lyles et al. (1999), cultural distance is thought to have an influence on the effectiveness of partner interaction. The cultural distance in terms of meaning, values, symbols and norms can be a hindering factor to the effectiveness of partner communication. Since communication is an exchange of information in words, ideas or emotions, true communication is only possible between people who to some extent, share a system of meaning. In the same vein, Simonin (1999b) argues that as the cultural gap between knowledge provider and seeker deepens, so does the level of “noise” surrounding the understanding and communication of valuable information. The partners’ national cultures can significantly impact all aspects of collaboration, including information flows (Lyles and Salk, 1996) and the process of knowledge management (Tiemessen et al., 1997). Cultural misunderstandings can minimize flows of information and learning. Lyles and Salk (1996) propose that the greater the degree of cultural conflict for an IJV, the lower the levels of knowledge acquisition. Likewise, Szulanski (1996) argues that knowledge transfer is built on numerous individual exchanges based on the communication and ‘intimacy’ between the source and recipient of knowledge. An arduous (i.e. laborious and distant) relationship creates additional hardship in internal knowledge transfer. In a broader view, Choi and Lee (1997) argue that the greater the differences between the partners in terms of national and organizational culture, the greater is the difficulty of transferring knowledge through cooperative inter-organizational relationships.

There is some empirical evidence that cultural distance affects knowledge acquisition. For instance, in their study of knowledge acquisition from parent firms, Lyles and Salk (1996)

find that the two-parent, shared management arrangement exhibits the highest level of knowledge acquisition. However, they caution that conflict and misunderstanding may quickly erase these gains. Simonin (1999b), in an empirical study of 147 international strategic alliances wherein one partner is a U.S. based company, reports that differences in national cultures is an antecedent of knowledge ambiguity which in turn is one of the key inhibitors to knowledge acquisition from partners.

While previous research does not differentiate between the impact of cultural distance on the transfer of tacit and explicit knowledge, the current research proposes that cultural distance would have a stronger impact on the acquisition of tacit than on explicit knowledge. Considering that tacit knowledge transfer requires numerous and closer individual exchanges, the following hypothesis is drawn:

**H5.** *Cultural distance has a greater negative effect on the acquisition of tacit marketing know-how than on the acquisition of explicit marketing know-how.*

#### 2.5. Relational link between explicit and tacit marketing know-how

When members of an IJV first come to work together, the local members acquire some type of explicit know-how from the foreign members. This is the type of know-how that is well-structured, high in teachability, codifiability and low in complexity. Such know-how has been found to be acquired easily at a high speed (Kogut and Zander, 1995). Moreover, explicit knowledge that is close to the existing knowledge stock and prior experience of the learner is found to be absorbed easily by the learner (Mohr and Sengupta, 2002). In this case, the learner can use the existing mental model to understand and internalize the new knowledge resulting in an increase in the individual's stock of explicit know-how (Cohen and Levinthal, 1990).

The increase in explicit know-how acquired from partner will lead to the development of a "common language" and shared knowledge base within the specific working environment. This shared knowledge base helps reduce the knowledge gap between the knowledge transferor and receptor. Consequently, a wider range of problems can be shared among collaborative members thereby creating a propensity to develop social intimacy which is an antecedent of tacit knowledge sharing (Herrgard, 2000). With an improved level of explicit knowledge, the learner is now capable of absorbing tacit know-how more easily. Applying these to the current study, it is hypothesized that:

**H6.** *The extent of explicit marketing know-how acquired from the foreign partner has a positive effect on the acquisition of tacit marketing know-how.*

#### 2.6. Relational link between learning intent and learning capability

The link between learning intent and learning capability as Fig. 1 shows is based on the premise that once the local partner has a conscious interest in acquiring marketing know-how from

its foreign partner, it would set up mechanisms to ensure that local staff are capable of learning new skills (Tsang, 2001; Inkpen, 2005). These staff should be good at learning through both formal training and practical work. They would have an appropriate educational background in the field of marketing and/or prior experience in the IJVs industry/market (Inkpen, 1998b; Inkpen, 2005). A group of staff with these characteristics will enhance the learning capability of the local partner in an IJV. Moreover, a local partner with learning intent would provide strong encouragement to the staff they send to work in an IJV. As an organization can only learn through its members, personnel assigned to an IJV are important agents of learning for the partners (Tsang, 1999).

For individual learners, learning intent fosters the motivation to learn (Mohr and Sengupta, 2002), which can be intrinsic or extrinsic. Intrinsic motivation occurs when learning is valued for its own sake and appears to be self sustained. In contrast, extrinsic motivation comes from external sources such as compensation, incentives or recognition by others (Ko et al., 2005). In the context of learning through IJVs, if the local partner is motivated to learn from the foreign partner through a reward system, knowledge acquisition will be effective (Hurley, 2002). This is because "motivation drives cognition, and if cognition is not there, motivation may help" (Kalling, 2003, p. 122). With this view, learning intent is a factor that enhances learning capability through fostering learning motivation. On this basis, the following hypothesis is formed:

**H7.** *Learning intent has a positive effect on learning capability.*

#### 2.7. Environmental challenge

Environmental challenge refers to external factors and forces that affect the attitudes, actions and outcomes of an IJV (Osland and Yaprak, 1995). Environmental challenge may be viewed as consisting of two dimensions, namely hostility and dynamism (Luo and Peng, 1999). Environmental hostility refers to the importance and deterrence of environmental factors (Luo and Peng, 1999). A highly hostile environment can pose potential threats or complex problems to an IJV. To deal with these complex problems which tend to be non-routine in nature, firms need to have diversified knowledge in marketing or a relatively high level of marketing expertise (Gronhaug, 2002). In international joint ventures, team-work between foreign and local staff would help deal with these complex problems. Through team-work and "learning by doing" the local staff would be acquiring both tacit and explicit knowledge from their foreign partners (Choi and Lee, 1997). Furthermore, a high degree of environmental hostility would also raise the IJVs recognition of a need for local staff to obtain formal training or personal coaching from their foreign partners (Si and Bruton, 1999).

Environmental dynamism, on the other hand can be viewed as the degree of predictability and variability of environmental factors (Luo and Peng, 1999). A highly dynamic environment (compared to a low one) is characterized by a fast change in key environmental forces such as customers, competitors and suppliers

(Sinkula et al., 1997). In a highly dynamic environment, learning is seen as a purposive quest by firms to retain and improve competitiveness, productivity and innovativeness. The greater the uncertainties, the greater the need for learning (Inkpen and Beamish, 1997) and the greater the learning activities of a firm (Sinkula et al., 1997). While high hostility implies toughness and complexity, high dynamism implies high frequency of new problems encountered by the IJV. As a fast changing environment brings new situations and new problems for the marketing team to solve, a wide range of experience and knowledge is gained and accumulated in the process.

The role of environmental challenge on knowledge acquisition may thus be seen as one of moderating the effects of the antecedents identified earlier. The extent to which these antecedents affect knowledge acquisition would depend on the degree of environmental challenge faced by the IJV. Those operating in a highly challenging environment would find these relationships to be stronger than those operating in a less challenging environment. On this basis, the following hypothesis is formed:

**H8.** *The hypothesized relationships between marketing know-how acquisition and its antecedents are moderated by the environmental challenge faced by the IJV.*

### 3. Method

The operationalization of constructs was undertaken by first identifying the dimensions reflecting or manifesting each construct (Edwards and Bagozzi, 2000). Then, the extant literature was reviewed to determine what scales have been used by previous studies and to assess whether these scales cover all the dimensions of the constructs as defined. Based on this review, a decision was made whether to adopt an existing scale as it is, modify it to fit the context of the empirical setting or develop a new scale. As a result, the scales adopted in this study are shown in Appendix A. The questionnaire was firstly designed in English and then translated into Vietnamese through a translation and back-translation procedure. The two translators were university academics who are fluent in both languages.

The model is tested using empirical data obtained from a sample of 219 IJVs in Vietnam. Over the last decade, foreign direct investment (FDI) has been an important part of the economic transition, business development and economic growth of Vietnam (Freeman, 2002). Within the FDI flowing into Vietnam, IJV is the popular form of foreign involvement, with partners emanating from countries that are relatively more developed and of different national cultures (Le Dang Doanh, 2002). It is expected that these foreign investors would bring with them marketing know-how as has been the case with countries such as Hungary, China, and Malaysia (Danis and Parkhe, 2002; Tsang, 2001; Si and Bruton, 1999; Lyles et al., 1999). On the other hand, local firms enter IJVs with partnering motives such as the acquisition of capital, management skills and technical skills, and gaining access to export markets (Le Dang Doanh, 2002). These underlying features of IJVs in Vietnam make them a suitable sample for the current study.

Only those IJVs whose marketing activities are managed and implemented by a marketing unit (division, department, group, or team) consisting of both foreign and local staff were considered eligible for this study. In each sample IJV, the informant is the Vietnamese manager holding the highest Marketing position and must have been with the IJV for at least three years or from the time the IJV was established, if it is less than three years old. The target population consists of all IJVs in Vietnam. Due to budgetary constraints, a combination of personal interview and mail survey was used to collect the data. Personal interview was used for IJVs located in HoChiMinh City while mail with a postage paid envelope was used for IJVs located in Hanoi and other localities. Out of the total 987 IJVs contacted for this survey, a total of 219 usable questionnaires or a response rate of about 22% was obtained. A description of the sample is shown in Appendix B.

### 4. Results and discussion

Initially, exploratory factor analysis (EFA) was conducted to identify potentially problematic items and to have a preliminary indication of unidimensionality, and discriminant and convergent validity. This procedure was undertaken in two stages, the first was on the individual scales and the second was on all scales combined. Based on the first EFA, only one item had to be deleted from the original partner assistance scale. The second EFA was undertaken to allow all items to correlate with every factor without being constrained to correlate only with its underlying factor (Kline, 1998). Confirmatory factor analysis (CFA) was then conducted in AMOS (Arbuckle and Wothke, 1999) also in two stages, one for each scale and the second on the overall measurement model representing relations among all constructs and associated items. Based on the individual CFA, one item was eliminated from the learning intent scale. The CFA on the overall measurement model yielded the following measures: Chi-square=294.74;  $df=303$ ;  $p=0.622$ ; Chi-square/ $df=0.973$ ; TLI=1.000; CFI=1.000; RMSEA=0.000. The HOETLER index of 255 is above the threshold value of 200 which indicates that the sample size of 219 is large enough for this analysis (Byrne, 2001). The composite reliability of the seven constructs ranged from 0.902 and 0.928, all exceeding acceptable standards for exploratory research (Kline, 1998).

The structural model shown in Fig. 1 was initially estimated using a multi-group analysis to test hypothesis 8. The sample was categorized into high and low environmental challenge groups based on their rating on this construct. Those with ratings above the median ( $n=93$ ) formed the high environmental challenge group while those below the median ( $n=108$ ) formed the low challenge group. In order to ensure measurement invariance between the two groups, two variables were eliminated namely: “local marketing staff have acquired a lot of marketing know-how by attending formal lectures conducted by our foreign partner regarding different aspects of marketing” and “by interacting closely with our foreign marketing staff”. Two models were estimated. In Model 1, the path coefficients were freely estimated for each group while in Model 2, the path coefficients were constrained to be equal across the two groups. A comparison of



these two models showed no significant difference in the hypothesized path coefficients and thus, the analysis presented in this paper is based on results obtained from the entire sample. The lack of significant difference between the high and low environmental challenge groups indicates that for this sample, environmental challenge is not a significant moderating variable. Thus, H8 is rejected. This could be due to the lack of variability in the degree of hostility or dynamism faced by the IJVs in Vietnam, as evidenced by the low standard deviation (Mean=3.87 Std. deviation=1.38 for the whole sample, in a 1-to-7 scale). The results of the tests on the entire sample are shown in Table 1. As with the two-group estimates, the data were analyzed using path analysis in AMOS. The fit indexes for the model show adequate fit i.e. Chi-square=311.44,  $dF=312$ ;  $p=0.498$ ; Chi-square/ $dF=0.998$ ; TLI=1.000; CFI=1.000; RMSEA=0.0003; HOELTER=248.

The results (Table 1) indicate that H1 is supported as the standardized regression coefficient of learning intent on acquired explicit know-how is 0.315 ( $p=0.005$ ) and that on acquired tacit know-how is 0.193 ( $p=0.004$ ) which are both significant at  $p<0.05$ . These resulting values confirm the positive direct effect of learning intent on the amount of marketing know-how acquired in both tacit and explicit forms. These effects are further strengthened by the indirect path from learning intent to learning capability ( $\beta=0.209$ ,  $p=0.007$ ) and then from learning capability to tacit and explicit know-how acquisition. The direct and indirect paths (Table 2) make the total effect of learning intent on the acquired explicit know-how of 0.383 and on the acquired tacit know-how of 0.382, which are the highest coefficients in both forms of acquired know-how. This result provides empirical evidence to emphasize the role of learning intent as the most important driver for knowledge acquisition from the foreign partner, as advocated by Inkpen (1998a,b, 2000), Tsang (2002) and Ko et al. (2005).

Table 1  
Results of analysis on hypothesized relationships

	Hypothesized relationships	Standardized coefficient	<i>p</i> value
H1	Learning intent → acquired explicit know-how	+ .31	.005
	Learning intent → acquired tacit know-how	+ .19	.004
H2	Learning capability → acquired explicit know-how	+ .32	.004
	Learning capability → acquired tacit know-how	+ .24	.004
H3	Partner assistance → acquired explicit know-how	+ .26	.003
	Partner assistance → acquired tacit know-how	− .01	.887
H4	Knowledge protectiveness → acquired explicit know-how	− .14	.021
	Knowledge protectiveness → acquired tacit know-how	− .20	.005
H5	Cultural distance → acquired explicit know-how	− .03	.644
	Cultural distance → acquired tacit know-how	− .22	.004
H6	Acquired explicit know-how → acquired tacit know-how	+ .37	.006
H7	Learning intent → learning capability	+ .21	.007

The five items in the measurement scale of learning intent implies that it must exist in both individual and organizational levels. At the organizational level, the learning objective and related supportive resources should be defined and provided by the local partner. At the individual level, the attitude and behavior of the local marketing staff working in the IJV should be positively directed towards learning from the foreign partner. The fact that all five items converge well suggests that researches in organizational learning should consider both organizational and individual learning views as advocated by authors such as Hamel (1991), Tiemessen et al. (1997) and Solingen et al. (2000). This is because organizations learn only through their individual members (Argyris and Schon, 1978).

As shown in Table 1, the standardized regression coefficient of learning capability on the acquisition of explicit know-how is 0.325 ( $p=0.004$ ), and that of learning capability on the acquisition of tacit know-how is 0.237 ( $p=0.004$ ). Both coefficients are significant at  $p<0.05$ . Thus, learning capability of local staff has a positive effect on the acquisition of both explicit and tacit marketing know-how. In other words, H2 is supported by the empirical data. The effect of learning capability on the acquisition of tacit know-how is further reflected through the indirect path i.e. the acquisition of explicit know-how, which makes the total effect of 0.356 (Table 2). These results indicate that learning capability is the second most important driver of both explicit and tacit know-how acquisitions. As emphasized by Steensma et al. (2005) using teacher–student metaphor, “the transfer of knowledge from a foreign parent to a joint venture depends on the willingness of the teacher who provide resources as well as on the student’s aptitude for learning from those resources” (p. 219).

The role of learning capability as an antecedent of both explicit and tacit marketing know-how indicates the importance of prior marketing experience and formal training of the local staff in gaining marketing knowledge. It should be noted that the scale for learning capability in this study is broader than the concept of absorptive capacity proposed by Cohen and Levinthal (1990) which emphasizes prior experience only.

The standardized regression coefficient of marketing assistance on the acquisition of explicit marketing know-how is 0.263 ( $p=0.003$ ). In contrast, no significant regression coefficient ( $\beta=-0.009$ ,  $p=0.887$ ) is found for the path from marketing assistance to acquired tacit know-how. Thus, it can be concluded that H3 is supported by the empirical data. The provision of training assistance by the foreign partner to the IJV would mainly have a positive influence on the acquisition of explicit marketing know-how. As described earlier, the assistance could include formal training of local marketing staff, provision of guidelines, procedures, rules of thumb or databases to the IJV so that the local marketing staff could learn from explicit documents (Lyles et al., 1999). By these measures, marketing assistance is provided intentionally (not leaked) by the foreign partner to make their competencies accessible to the local partner (Inkpen, 2005).

The empirical results also confirm the greater positive impact of partner’s marketing assistance on the acquisition of explicit than on tacit marketing knowledge. However, the results show

that this antecedent is not significant at all when it comes to the acquisition of tacit marketing knowledge. This finding is likely due to the general practice of assistance being in the form of explicit, documented materials provided via training programs or seminars or through manuals, guidelines and databases (Lyles et al., 1999). In this study, in the majority of cases (65.8%), the number of foreign marketing staff working in the IJV is very limited, typically one or two. This means the face-to-face marketing assistance is limited. This may be one of the reasons for the non-significant impact of foreign partner's assistance on the acquisition of tacit know-how which requires direct face-to-face collaboration between staff from both sides.

The hypothesized negative effects of knowledge protectiveness on explicit and tacit knowledge acquisition are also confirmed, thereby supporting H4. The standardized coefficient of knowledge protectiveness on explicit know-how acquisition is  $-0.140$  ( $p=0.021$ ), and on tacit know-how acquisition is  $-0.199$  ( $p=0.005$ ). Although not as strong as those antecedents attached to knowledge receptors (i.e. learning intent and learning capability) and unlike the unsupported results obtained in two previous studies by Simonin (1999a,b) these results provide empirical support to the theoretical arguments for the role of partner protectiveness (Inkpen, 1998a,b; Inkpen, 2005). As indicated, the stronger the knowledge is protected intentionally by the foreign partner, the less accessible it becomes, and the less knowledge is acquired by the local partner. In turn, the extent of knowledge protectiveness is determined by the foreign partner's concern about knowledge spillover that results in changing the relative bargaining power. Given the mixed nature of cooperation and competition in JVs (Hamel, 1991), the tension between knowledge sharing and knowledge protection causes a "learning paradox" (Jordan and Lowe, 2004). In this paradox, the foreign partner is likely to be more open to share knowledge if JVs aim is more of "exploration"

and is more likely to be protective if its aim is more of "exploitation" (Koza and Lewin, 1998; March, 1991).

The figures in Table 1 show that the standardized regression coefficient of cultural distance on acquired tacit know-how is  $-0.216$  ( $p=0.004$ ). No significant relationship is found for the path from cultural distance to acquired explicit know-how ( $\beta=-0.034$ ,  $p=0.644$ ). Therefore, it could be said that H5 is supported. Cultural distance has a greater negative effect on the acquisition of tacit marketing know-how than on the acquisition of explicit marketing know-how.

The relatively small regression coefficient of  $-0.216$  for the path from cultural distance to tacit learning and the non-significant coefficient of cultural distance on explicit learning imply that the difference in partners' cultures is not a key inhibitor of the acquisition of marketing know-how. This result reflects the effect of acculturation (i.e. learning about the partner's culture) or cultural adjustment process (i.e. an individual becomes adjusted to the partner's culture) in the global business nowadays (Parker and McEvoy, 1993). If this process occurs in both partners' staff, cultural distance only plays a modest role in determining tacit marketing know-how acquisition, and no significant role in the case of explicit know-how acquisition from the foreign partner.

H6 is also supported because the standardized path coefficient of explicit learning on tacit learning is significantly greater than zero ( $\beta=0.366$ ,  $p=0.006$ ). This result confirms that the acquired explicit marketing know-how facilitates the acquisition of tacit marketing know-how. Although tacit know-how cannot be learned through codified marketing materials, written guidelines or documents, an increase in the explicit know-how in the same area (i.e. marketing) would enhance the existing stock of knowledge, which in turn, improves the cognitive process of the learner (Hackley, 1999). This confirms: "the more we know, the more we can learn"

Table 2  
Total, direct and indirect effects

	Cultural distance	Knowledge protectiveness	Partner assistance	Learning intent	Learning capability	Acquired explicit know-how	Acquired tacit know-how
Standardized total effects							
Learning capability	.000	.000	.000	.209	.000	.000	.000
Acquired explicit know-how	-.034	-.140	.263	.383	.325	.000	.000
Acquired tacit know-how	-.228	-.250	.087	.382	.356	.366	.000
Standardized direct effects							
Learning capability	.000	.000	.000	.209	.000	.000	.000
Acquired explicit know-how	-.034	-.140	.263	.315	.325	.000	.000
Acquired tacit know-how	-.216	-.199	-.009	.193	.237	.366	.000
Standardized indirect effects							
Learning capability	.000	.000	.000	.000	.000	.000	.000
Acquired explicit know-how	.000	.000	.000	.068	.000	.000	.000
Acquired tacit know-how	-.013	-.051	.096	.190	.119	.000	.000

(Brockmann and Anthony, 2002, p. 439). Additionally, the increase in explicit know-how would improve the tacit know-how through the process of knowledge internalization, i.e. the new explicit knowledge is internalized to create new tacit knowledge (Nonaka, 1994).

Table 1 shows a significant coefficient ( $\beta=0.209$ ;  $p=0.007$ ) of learning intent on learning capability which empirically supports H7. This result emphasizes the key role of learning intent of the local partner. Through its significant effect on learning capability, the effect of learning intent on tacit learning increases twice (from 0.193 for direct effect coefficient to 0.382 for total effect coefficient — Table 2). With this link, learning intent and learning capability are proven to be the two most important facilitators among other antecedents of knowledge acquisition in both explicit and tacit forms. This again confirms that alliances provide an ideal platform for learning (Inkpen, 2000). However, the mere presence of foreign firms is no guarantee that knowledge transfer will take place (Steensma et al., 2005). In order for knowledge to learn effectively, the local parent must set clear objectives of acquiring partner's knowledge, rather than merely utilizing the knowledge as a substitution for its insufficiency. Once the local partner has a conscious interest in acquiring marketing know-how from its foreign partner, it would set up appropriate mechanisms to motivate and to ensure that local staff are capable of learning new skills (Tsang, 2001; Inkpen, 2005).

In summary, the current research is among the empirical attempts to link organizational learning perspectives with the strategic alliance literature. It extends the understanding of inter-organizational learning by investigating the acquisition of management knowledge in IJVs in transitional economies like Vietnam where such studies are much needed (Tsang et al., 2004; Wong et al., 2002).

The results confirm the positive effect of learning intent and learning capability as well as the negative effect of knowledge protectiveness on the acquisition of marketing know-how in both tacit and explicit forms. Partner assistance on the other hand, has a significant effect only on explicit marketing knowledge while cultural distance has negative effects only on tacit knowledge. This result also confirms the key role of learning intent of the local partner through its direct effects on the acquisition of both explicit and tacit forms of know-how, as well as its indirect effect through learning capability. Particularly, the acquisition of marketing knowledge has been relatively less researched (Simonin, 1999a). The current research has bridged this gap by focusing on the investigation of marketing know-how acquisition through IJVs. It also contributes to tackle the type of knowledge that is deemed to be more difficult to learn through IJVs (as compared to technological knowledge) due to its social and cultural embeddedness (Wong et al., 2002). Moreover, by investigating separately the two forms of marketing know-how (i.e. tacit and explicit) in a single model, the current research provides evidence that tacit and explicit marketing know-how are distinct but related to each other from both conceptual and empirical points of view. Firstly, they are conceptually two different constructs representing two forms of marketing knowledge.

Each has its own features that require different conditions (i.e. antecedents) for its acquisition (Polanyi, 1958). Secondly, from the measurement point of view, these two constructs are measured separately by their own scales and the discriminant validity results show that they are indeed separate constructs. When placed together in the same model, they are found to be distinct but related constructs. The findings show that the acquisition of explicit marketing know-how also has an influence on the acquisition of tacit marketing know-how. Thirdly, the identification of two different sets of antecedents for each form (tacit versus explicit) of marketing know-how would imply the need for different strategies for enhancing the acquisition of each form.

## 5. Managerial implications

The empirical results support the view that in order for learning to be successful, it should go beyond the state of “natural learning,” that is, learning that occurs randomly, to the state of “skillful learning” (Garvin, 1993; Kim, 1993). Learning intent has to be present at both the organizational and individual levels and local staff needs to be capable of acquiring marketing knowledge. These findings imply that when recruiting marketing personnel it is important to consider staff's willingness or desire to learn as well as their ability to learn if the objective is for the IJV to gain marketing knowledge from their foreign partners. The role of the local partner becomes more crucial when it comes to marketing knowledge because, relative to technological know-how, marketing is more difficult to learn due to its cultural and social embeddedness (Wong et al., 2002). The foreign partner on the other hand has to be made aware that assistance on their part is necessary to transfer marketing knowledge especially in the form of explicit know-how. The provision of such assistance may have to be included in the IJV agreement. The local partner needs to make a conscious effort to encourage collaboration or interaction between local and foreign marketing staff in order to minimize cultural distance. In addition to team-work, closer interactions may be fostered through informal and social gatherings and by encouraging both local staff and foreign staff to learn how to speak each other's language.

## 6. Limitations and suggestion for further studies

The first limitation is related to the stage of inter-partner learning. The current research focuses only on the first of three phases namely, transfer, transformation and harvesting (Tiemessen et al., 1997). In this research, all the learning and knowledge-related activities are examined within the transfer phase in an IJV. No investigations were made in relation to the two remaining phases. The second limitation lies in the survey research design. By nature, cause and effect relationships in the learning process involve certain time lags. Although an attempt was made to address this issue by setting the time frame of the analysis to three years, possible mismatches between cause and effect in terms of time may exist. The model for the acquisition of explicit and tacit knowledge in IJVs can also be further

developed by investigating the effects of control factors such as industry type and age of the IJV. The type of industry (e.g. manufacturing vs. service) in which the IJV operates may be considered (Simonin, 1999a,b) while the age of the IJV may also be taken into account to reflect the dynamic processes and the nature of inter-partner learning in IJVs (Dussauge et al., 2000).

## Appendix A. Measurement scales

Construct	Item	Source				
Learning intent	Acquiring marketing knowledge from our foreign partner is one of our local partner's objectives.	New			New	
	Our local partner encourages the local marketing staff to learn and acquire our foreign partner's marketing knowledge.	New			New	
	Our local partner has provided the necessary resources needed to support the acquisition of marketing knowledge from our foreign partner.	New	Acquired explicit MKT know-how	Our foreign staff is not willing to share their marketing know-how with our local staff.		New
	Our local staff wants to imitate expatriates in how they undertake marketing tasks in the JV.	New		Our foreign staff does not want to show to our local staff the procedures they use in solving marketing problems.		New
	Our local staff feels that they need to learn about marketing from our foreign staff.	New		The national culture of our foreign partner differs significantly from our own culture.	Simonin (1999b)	
	Our marketing staff has a strong interest in learning from our foreign partner.	New		Language differences are a major obstacle in communicating with and understanding our foreign marketing staff.	Simonin (1999b)	
				Cultural differences have been a source of problems in this joint venture. Misunderstandings due to cultural differences have been a source of problems in this joint venture.		Lyles et al. (1999) Lyles et al. (1999)
Learning capability	In general, our local staff has good learning capabilities.	New				
	Our local staff has previous experience in marketing similar products or services.	Hanvanich (2002)				
	Our local marketing staff is well educated (i.e. they have completed formal university education in marketing).	New	Acquired tacit MKT know-how	During the last three years (or since the establishment of the JV if it is less than 3 years), our local marketing staff have acquired a lot of marketing know-how by:		New
Partner assistance	During the last three years, our foreign partner has been providing this company with a lot of materials on procedures and guidelines for marketing planning and decision making.	Lyles et al. (1999)		... reading and understanding training materials supplied by our foreign partner.	New	
	The guidelines, procedures and training programs provided by our foreign partner have been very helpful to our local marketing staff.	New		... attending formal lectures conducted by our foreign partner regarding different aspects of marketing.	New	
	In the last three years, our foreign partner has offered a lot of formal training programs such as seminars and lectures in marketing to our local staff.	Lyles et al. (1999)		... using manuals prepared by the foreign partner on how to undertake different marketing activities such as market analysis, pricing, advertising or making a sales presentation.	New	
	There have been many marketing personnel from our foreign partner working in this company during the last three years.	New		... applying rules and standard operating procedure specified in writing by our foreign partner through memoranda and other documents.	New	
				During the last three years (or since the establishment of the JV if it is less than 3 years), our local marketing staff have acquired a lot of marketing know-how by:		
Knowledge protectiveness	Our foreign partner has intentionally restricted the sharing of their marketing know-how with our local staff.	Simonin (1999b)		... interacting closely with our foreign marketing staff.	New	
	Our foreign staff has been very protective of their marketing know-how.	Simonin (1999b)		... collaborating closely with our foreign marketing staff in solving marketing problems or in conducting joint projects (e.g. developing new products or a promotion campaign).	New	
			Environmental challenge	Competitors, customers and/or legal issues as a whole:	Luo and Peng (1999)	
			... have an important impact on our company's performance.			
			... have been a threat to the growth of our company. (eliminated in SEM)			
			... have undergone major changes over the last three years.			
			... have been unpredictable.			

## Appendix B. Sample characteristics (N=219 IJVs)

Type of products	
Industrial goods	34.2%
Consumer goods	33.8%
Services	26.5%
Trading	4.1%
More than one type	1.4%
IJV age	
Less than 3 years	13.7%
3–7 years	39.3%
8–12 years	42.0%
More than 12 years	5.0%
Home country of foreign partner	
North America, Europe, Australia	33.3%
Southeast Asia	34.2%
East Asia	22.8%
Other	9.7%
Annual Sales (USD)	
Less than 1 million	7.7%
1.0–5.0 million	38.5%
5.1–20.0 million	41.7%
20.1–100.0 million	9.0%
More than 100 million	3.1%
No. of foreign permanent marketing staff	
Nil	1.5%
1–2	64.3%
3–5	26.2%
6–10	4.0%
11–20	3.0%
More than 20	1.0%
No. of local marketing staff	
1–5	30.9%
6–20	42.7%
21–50	11.4%
51–100	6.5%
101–200	5.5%
More than 200	3.0%

## References

- Arbuckle JL, Wothke W. *Amos 4.0 user's guide*. Chicago, U.S.A: Small waters corp; 1999.
- Argyris C, Schon D. *Organizational learning: a theory of action perspective*. MA, Addison-Wesley: Reading; 1978.
- Baughn CC, Denekamp JG, Stevens JH, Osborn RN. Protecting intellectual capital in international alliances. *Journal of World Business* 1997;32(2):103–17.
- Badaracco Jr JL. Alliances speed knowledge transfer. *Plann Rev* 1991;19(2):10–6.
- Bresman H, Birkinshaw J, Nobel R. Knowledge transfer in international acquisitions. *J Int Bus Stud* 1999;30(3):439–62.
- Brockmann EN, Anthony WP. The influence of tacit knowledge and collective mind on strategic planning. *J Manag Issue* 1998;10(2):204–22.
- Brockmann EN, Anthony WP. Tacit knowledge and strategic decision making. *Group Organ Manage* 2002;27(4):436–55.
- Byrne BM. *Structural equation modelling with AMOS. Basic concepts, applications and programming*. New Jersey: Lawrence Erlbaum Associates Publishers; 2001.
- Cavusgil ST, Calantone RJ, Zhao Y. Tacit knowledge transfer and firm innovation capability. *J Bus Ind Mark* 2003;18(1):6–21.
- Chen CJ. The effects of knowledge attribute, alliance characteristics and absorptive capability on knowledge transfer performance. *R&D Manag.* 2004;34(3):311–21.
- Choi CJ, Lee SH. A knowledge-based view of cooperative interorganizational relationships. In: Beamish P, Killings J, editors. *Cooperative Strategies, European Perspectives*. San Francisco, CA: New Lexington Press; 1997. pp. 33–58.
- Cohen WM, Levinthal DA. Absorptive capacity: a new perspective on learning and innovation. *Adm Sci Q* 1990;35(1):128–52.
- Danis WM, Parkhe A. Hungarian–Western partnerships: a grounded theoretical model of integration processes and outcomes. *J Int Bus Stud* 2002;33(3):423–55.
- Dussauge P, Garrette B, Mitchell W. Learning from competing partners: outcomes and durations of scale and link alliances in Euro, North America and Asia. *Strateg Manage J* 2000;21:99–126.
- Edwards JR, Bagozzi RP. On the nature and direction of relationship between constructs and measures. *Psychol Methods* 2000;5(2):155–74.
- Eunni VR, Kasuganti RR, Kos JA. Knowledge management process in international business alliances: a review of empirical research, 1990–2003. *Int J Manag* 2006;23(1):34–42.
- Freeman NJ. Foreign direct investment in Vietnam: an overview. Paper prepared for DFID workshop on globalization and poverty in Vietnam; 2002.
- Garvin DA. Building a learning organization. *Harvard Bus Rev* 1993;71(4):78–91.
- Geppert M, Clark E. Knowledge and learning in transnational ventures: an actor-centred approach. *Manage Decis* 2003;41(5):433–42.
- Griffith DA, Zeybek AY, O'Brien M. Knowledge transfer as a means for relationship development: a Kazakhstan-foreign international joint venture illustration. *J Int Mark* 2001;9(2):1–18.
- Gronhaug K. Is marketing knowledge useful? *Eur J Mark* 2002;36(3):364–72.
- Hackley CE. Tacit knowledge and the epistemology of expertise in strategic marketing management. *Eur J Mark* 1999;33(7/8):720–35.
- Hanvanich S. *Enhancing marketing innovation through marketing knowledge transfer: an investigation of strategic alliances*. Michigan State University: Doctoral Dissertation; 2002. UMI No. 3064232.
- Hamel G. Competition for determinant and interpartner learning within international strategic alliances. *Strateg Manage J* 1991;12:83–103.
- Hennart JF, Zeng M. Cross-cultural differences and joint venture longevity. *J Int Bus Stud* 2002;33(4):699–716.
- Herrgard TH. Difficulties in diffusion of tacit knowledge in organizations. *J Intellect Cap* 2000;1(4):357–65.
- Hurley RF. Putting people back into organizational learning. *J Bus Ind Mark* 2002;17(4):270–81.
- Inkpen AC. Learning, knowledge acquisition, and strategic alliances. *Eur Manag J* 1998a;6(2):223–45.
- Inkpen AC. Learning and knowledge acquisition through international strategic alliances. *Acad Manage Exec* 1998b;12(4):69–80.
- Inkpen AC. Learning through joint ventures: a framework of knowledge acquisition. *J Manag Stud* 2000;37(7):1019.
- Inkpen AC. Learning through alliances: general motors and NUMMI. *Calif Manage Rev* 2005;47(4):114–36.
- Inkpen AC, Beamish PW. Knowledge, bargaining power, and the instability of international joint ventures. *Acad Manage Rev* 1997;22(1):177–202.
- Johanson J, Vahlne J. The internationalization process of the firm: a model of knowledge development and increasing foreign market commitment. *J Int Bus Stud* 1977;8(1):23–32.
- Jordan J, Lowe J. Protecting strategic knowledge: insight from collaborative agreement in the aerospace sector. *Technol Anal Strateg Manag* 2004;16(2):241–59.
- Kale P, Singh H, Perlmutter H. Learning and protection of proprietary assets in strategic alliances: building relational capital. *Strateg Manage J* 2000;21(3):217–37.
- Kalling T. Organizational-internal transfer of knowledge and the role of motivation: a qualitative case study. *Knowl Process Manag* 2003;10(2):115–26.
- Kim DH. The link between individual and organizational learning. *Sloan Manage Rev* 1993;35(1):37–50.
- Kline RB. *Principles and practice of structural equation modeling*. New York: Guilford Press; 1998.
- Ko D, Kirsch JL, King RW. Antecedents of knowledge transfer from consultants to clients in enterprise system implementations. *MIS Q* 2005;29(1):59–85.
- Kogut B, Zander U. Knowledge of the firm and the evolutionary theory of the multinational corporation. *J Int Bus Stud* 1995;26(4):625–44.

- Koza MP, Lewin AY. The co-evolution of strategic alliances. *Organ Sci* 1998;9(3):255–64.
- Lam A. Embedded firms, embedded knowledge: problems of collaboration and knowledge transfer I global cooperative ventures. *Organ Stud* 1997;18(6):973–96.
- Lane PJ, Lubatkin M. Relative absorptive capacity and interorganizational learning. *Strateg Manage J* 1998;19(5):461–77.
- Le Dang Doanh. Foreign Direct Investment in Vietnam: Results, Achievements, Challenges and Prospects. Paper presented at the conference on foreign direct investment: opportunities and challenges for Cambodia, Laos, and Vietnam. Hanoi; 2002.
- Liu S, Vince R. The cultural context of learning in international joint ventures. *J Manage Dev* 1999;18(8):666–75.
- Loebecke C, van Fenema PC, Powell P. Co-Opetition and knowledge transfer. *Data Base Adv Inf Syst* 1999;30(2):14–25.
- Luo Y, Peng MW. Learning to compete in a transition economy: experience, environment, and performance. *J Int Bus Stud* 1999;30(2):269–96.
- Lyles MA, Salk JE. Knowledge acquisition from foreign parents in international joint ventures: an empirical examination in the Hungarian context. *J Int Bus Stud* 1996;27(5):877–903.
- Lyles MA, Sulaman M, Barden JQ, Kechik ARBA. Factors affecting international joint venture performance: a study of Malaysian joint ventures. *J Asian Bus* 1999;15(2):1–19.
- March JG. Exploration and exploitation in organizational learning. *Organ Sci* 1991;2(1):71–87.
- Mohr JJ, Sengupta S. Managing the paradox of interfirm learning: the role of governance mechanisms. *J Bus Ind Mark* 2002;17(4):282–301.
- Moon WC. Impact of organizational learning contexts on choice of governance mode for international strategic combination. *J High Technol Managem Res* 1999;10(1):167–202.
- Mowery DC, Oxley JE, Silverman BS. Strategic alliances and interfirm knowledge transfer. *Strategic Manage J* 1996;17:77–91 (Winter Special Issue).
- Nonaka I. A dynamic theory of organizational knowledge creation. *Organ Sci* 1994;5:14–37.
- Nonaka I, Toyama R, Konno N. SECI, Ba and leadership: a unified model of dynamic knowledge creation. *Long Range Plan* 2000;33(1):5–34.
- Osland GE, Yaprak A. Learning through strategic alliances — processes and factors that enhance marketing effectiveness. *Eur J Mark* 1995;29(3):52–66.
- Parker B, McEvoy GM. Initial examinations of a model of intercultural adjustment. *Int J Intercult Relat* 1993;17(3):355–79.
- Polanyi M. *Personal knowledge towards a post critical philosophy*. London: Routledge; 1958.
- Powell WW, Koput KW, Smith-Doerr L. Interorganizational collaboration and the focus of innovation: networks of learning in biotechnology. *Adm Sci Q* 1996;41:116–45.
- Saxton T. The effects of partner and relationship characteristics on alliance outcomes. *Acad Manage J* 1997;40(2):443–61.
- Sharma DD. A model for governance in international strategic alliances. *J Bus Ind Mark* 1998;13(6):511–28.
- Shenkar O. Cultural distance revisited: towards a more rigorous conceptualization and measurement of cultural differences. *J Int Bus Stud* 2001;32(3):519–35.
- Si SX, Bruton GD. Knowledge transfer in international joint venture in transitional economies: the China experience. *Acad Manage Exec* 1999;13(1):83–90.
- Simonin BL. Transfer of marketing know-how in international strategic alliances: an empirical investigation of the role and antecedents of knowledge ambiguity. *J Int Bus Stud* 1999a;30(3):463–90 [Third Quarter].
- Simonin BL. Ambiguity and the process of knowledge transfer in strategic alliances. *Strateg Manage J* 1999b;20(7):595–623.
- Sinkula JM, Baker WE, Noordewier T. A framework for market-based organizational learning: linking values, knowledge and behavior. *Journal of Academy of Management Science* 1997;25(4):305–18.
- Solingen R, Berghout E, Kusters R, Trienekens J. From process improvement to people improvement: enabling learning in software development. *Inf Softw Technol* 2000;42(14):965–71.
- Steensma KH, Tihanyi L, Lyles MA, Dhanaraj C. The evolving value of foreign partnerships in transitioning economies. *Acad Manage J* 2005;48(2):213–35.
- Szulanski G. Exploring internal stickiness: impediments to the transfer of best practice within the firm. *Strateg Manage J* 1996;17:27–43 [Winter Special Issue].
- Tiemessen I, Lane HW, Crossan MM, Inkpen AC. Knowledge management in international joint ventures. In: Beamish P, Killings J, editors. *Cooperative strategies, North American perspectives*. San Francisco: New Lexington Press; 1997.
- Tsang EWK. A preliminary typology of learning in international strategic alliances. *Journal of World Business* 1999;34(3):211–29.
- Tsang EWK. Managerial learning in foreign-invested enterprises of China. *Manag Int Rev* 2001;41(1):29–51.
- Tsang EWK. Acquiring knowledge by foreign partners from international joint ventures in a transition economy: learning-by-doing and learning myopia. *Strateg Manage J* 2002;23(9):835–54.
- Tsang EWK, Tri DNg, Erramilli MK. Knowledge acquisition and performance of international joint ventures in the transition economy of Vietnam. *J Int Mark* 2004;12(2):82–103.
- Wong YY, Maher TE, Luk TK. The hesitant transfer of strategic management knowledge to international joint ventures in China: greater willingness seems likely in the future. *Manage Res News* 2002;25(1):1–16.
- Zander U, Kogut B. Knowledge and the speed of the transfer and imitation of organizational capabilities: an empirical test. *Organ Sci* 1995;6(1):76–92.