Patterns of Cultural and Budgetary Controls in International Joint Ventures in South Korea

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Abstract
This study, conducted in a field setting, examines the pattern of budget and cultural controls across Korean firms and Korean joint ventures with U.S. and European firms in South Korea—a nation with a dominant Confucian philosophy divergent from the modern capitalist philosophy that dominates Anglo-American approaches to control. The empirical results provide support for the hypothesis that differences exist in the pattern of controls between U.S. and European joint ventures. While European joint ventures exhibited stronger forms of budget control, U.S. joint ventures exhibited a stronger form of cultural controls. Cultural controls were evidenced by lower levels of power distance exhibited by the presence of younger, higher educated Korean managers who have been in a joint venture for a longer period of time. Interview data was used to further examine aspects of control. The education and experience of Korean managers and (self-) selection were found to facilitate the adoption of foreign parent controls. Accordingly, this paper provides a contribution to theory development on the transfer of parent company management control practices to joint ventures in a specific Asian nation context.

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Introduction

With the growth in trade opportunities among the East Asian nations, the placement of service and manufacturing subsidiaries in the region has become strategically important to every multinational corporation (MNC) that desires to be successful on a global scale (Hofstede & Bond, 1988). However, MNCs that invest heavily in East Asian nations and transfer their technologies find it difficult to transfer their management practices due to cultural diversity (Putti, 1991, p. xiii) and host government intervention (Doz et al., 1981; Doz & Parhad, 1980) that require foreign MNCs to joint venture with local companies. Under these circumstances, MNCs forgo complete ownership control of their investment, making successful importation of controls even more costly.

International joint ventures (IJV) are an important investment form used by many MNCs from developed nations to enter developing countries (Austin, 1990; Kobrin, 1988). In addition, IJVs offer a rich setting in which to compare MNC parent company practices since 100 percent equity control over the venture is not possible. Hence, other means to control become more important and necessary, especially with the role that MNCs from developed countries play in supplying capital and technology to the venture. Previous studies have reported high failure and instability rate among IJVs (Franko, 1971; Harrigan, 1986; Kogut, 1989; Levine & Byrne, 1986). The factors underlying IJV success however remains unclear (Geringer & Hebert, 1991; Parkhe, 1993).

Much of the IJV research has taken a macro-control focus, examining the relationship between partner bargaining power, control and performance (Yan & Gray, 1994; Parkhe, 1993; Blodgett, 1991; Contractor, 1990; Contractor & Lorange, 1988; Beamish, 1985; Lecraw, 1984; Fagre & Wells, 1982; Killing, 1983; also see Geringer & Hebert, 1989 for a review). To date the issue of control has received only fragmented and unsystematic attention in the JV literature (Geringer & Hebert, 1989, p. 237). As a result successful control practices among IJVs is not well understood. In particular, little is known about the pattern of controls adopted at the micro-level—for example, the mix of bureaucratic and cultural controls adopted by foreign partners over the duration of the venture. Moreover, Geringer and Hebert (1989, p. 250) note that 'managers have received minimal guidance about when and how to use (the various control options), as well as the potential trade-offs between alternative control options.'

The purpose of this study is to explore the pattern of budget and cultural controls in U.S. and European-Korean joint ventures (JV) in the South Korean (hereafter Korea) setting. Compared to the U.S., Korean culture is one of
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the more extreme Asian newly industrialized countries (NIC) hence is likely to pose greater challenges to the control of MNC subsidiaries compared to their other Asian nation counterparts (Hofstede, 1984; Trompenaars, 1993; 1996). Several studies have also confirmed this dissimilarity with the U.S. (Kim et al., 1990; Hitt, Tyler and Park, 1990; Chung and Lee, 1989; Brandt, 1987; Sommer, et al., 1987; Luthans et al., 1985). ‘Korea is the most economically important of the NICs, with a larger national GNP and population than the other three Asian Tigers, Singapore, Hong Kong or Taiwan.’ (Lee and Beanish, 1995, p.638). Korea represents a model of traditional Confucian philosophy significantly stronger than other Confucian philosophy-study possibilities, notably China (Cho, 1991; Yum, 1991; Song, 1990). As such, Korea offers a rich setting for understanding the impact of Confucian philosophy on the practices of foreign JVs whose parent company’s are dominated by modern economic philosophy. Korea is a relatively advanced, industrialized nation that also differs from Japan, a much researched proxy of efficient Asian management (Lee et al., 1991; Whitley, 1990; 1992; Chung & Lee, 1989).

An aspect of the Korean environment is the requirement that foreign MNCs joint venture with a local partner in most industries. Hence, the form of entity is not an option in most cases. Most of the joint venture firms in this study have 50% equity control. The expectation is that the presence of a local Korean partner and its accompanying management norms and practices is likely to exacerbate the transfer of traditional forms of budget control by the foreign partner. A more costly cultural control mechanism of organizational socialization represents an alternative approach to control (Baliga & Jaeger, 1984). Self-selection by managers and selection practices, however, may facilitate the transfer of control through organizational socialization.

This study used survey data to explore Korean manager perceptions of budget control variables in U.S. and European-JVs and local Korean firms. Manager work-related values were used to indicate the extent of socialization while manager education and term with the firm were used to explore the (self-) selection versus socialization phenomenon. Finally, interview data was used to examine these factors. The non-Western background of Korean managers, distrust of expatriates and self-selection were found to related to the adoption of foreign parent controls. The paper is organised into the following parts: literature review and hypotheses development, method and variable measurement, results and conclusion.
Literature Review and Hypothesis Development

Budget control in Anglo-American MNCs

The purpose of management control systems in organizations is to ensure that employees make decisions and take actions which contribute to the achievement of organizational goals (Merchant, 1989). The major functions of a management control system are organizing, planning, evaluating and rewarding (Birnberg & Snodgrass, 1988; Flamholtz, 1983; Otley, 1980). The management control system is multi-faceted, containing a number of components that have been examined in various ways in the literature. This study focuses on the use of budgets as a form of bureaucratic control and cultural controls. Both bureaucratic and cultural controls have been identified as two ideal types (Baliga & Jaeger, 1984).

Four aspects of budget controls were investigated—budget emphasis in performance evaluation, participation in budget setting, budget standard setting difficulty and budget incentives. Budget emphasis refers to the extent to which budget or quantitative criteria are used in the evaluation of divisional manager performance (Briers & Hirst, 1990). Participation in budget setting reflects the degree of influence and involvement a manager has in budget development (Shields & Young, 1993). Budget incentives refer to the degree to which pay and promotion prospects are linked to meeting budget goals. Budget standard setting difficulty refers to the difficulty with which budget goals are set (Chow, 1983).

As a package, higher mean levels of participation, standard tightness and budget incentives are expected to exist with higher mean levels of budget emphasis (Shields et al., 1996). These components can be de-emphasized however in order to localize the relevance of the control system, thus enabling the budget to be flexible according to the uncertainties of the local environment. Evidence of this is likely to indicate the modification of parent company controls to fit the environment rather than modification of the environment to fit the parent’s management control system (MCS).

U.S. versus European approach to management

The use of budget controls to monitor MNC investments abroad has been found to vary according to parent company nation of origin (Laurent, 1983; Egelhoff, 1984; 1988; Hulbert & Brandt, 1980; Horovitz, 1980) and parent company strategy (Egelhoff, 1988; Doz & Parhalad, 1981; 1984; Baliga & Jaeger, 1984; Youssef, 1975). Egelhoff (1988) found that U.S. MNCs tend to exercise the highest degree of performance control, while European MNCs exercise the lowest. UK MNCs generally fall somewhere in between.
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findings are consistent with two earlier studies (Hulbert & Brant, 1980; Horovitz, 1980). While Eglehoff (1988) showed that such differences could also be explained by different environment, strategy and structure configurations of MNC enterprises, he conceded that nation can impact on the strategy, and hence the nature of the performance control system, adopted. While implications of these results for this study are that different degrees of performance control may exist across nationalities, the direction is unclear.

H0: There will be no significant difference between U.S. and European JVs in their combined use of budget participation, budget emphasis, standard difficulty and budget incentives

Cultural controls

In the JV context, the role of traditional budget controls in engendering the commitment of local managers is likely to be limited where the local partner represents a highly divergent culture from the West. This may necessitate more costly forms of control such as cultural controls that ensure greater alignment of manager work-related values to the organization (Baliga & Jaeger, 1984; Jaeger, 1983). Cultural controls relate to informal, implicit mechanisms associated with shared norms and values that comprise an organization’s culture. The use of cultural controls or ‘organizational culture’ has been mentioned in a number of studies (Jaeger, 1983; Edstrom and Galbraith, 1977; Stopford and Wells, 1972). Organizational culture is defined as the collective programming of the mind which distinguishes the members of one organization from another (Hofstede, 1991, p. 180).

Such controls are initiated through (self-) selection and socialization processes in the organization (Pascale, 1985). Organizational socialization has been extensively researched as part of the control package in organizations (Wiener, 1988; Pascale, 1985; Van Maanen & Schein, 1979). It refers to, ‘the process by which one is taught and learns “the ropes” of a particular organizational role’ (Van Maanen & Schein, 1979, p. 211). Steps include, careful selection, humility-inducing experiences, ‘in-the-trenches’ training, performance and reward system congruence, adherence to the firm’s values, reinforcing folklore and legends, and consistent role models (Pascale, 1985). In the multinational context, cultural controls include the use of expatriates, training programs, and visits to and from parent headquarters (Jaeger, 1983).

The costs of cultural controls may be different, however, for U.S. and European JVs due to cultural differences and developments in MNC approaches to management. Compared to Europe, the U.S., pre and post Korean war, had a greater influence on Korean education and managerial values. Most of
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Korean overseas education is directed to the U.S.. As Koreans are more familiar with the U.S. culture they are more likely to assimilate into a U.S. rather than a European JV environment. Hence, the costs of cultural controls for the U.S. JV may be lower compared with European JVs.

In addition, U.S. MNCs have changed their approach to MNC management, relying more on matrix structures where lines of authority are divided according to function, product and/or geographical region (Bartlett & Goshal, 1989). This change is the manifestation of a more decentralized organization. Other developments have taken place. For example, Ouchi (1981) coined the term Type Z for a form of U.S. MNC that combined some of the values held by Japanese. Values included, long term employment, consensual decision making, slow evaluation and promotion, implicit, informal controls, and a holistic concern, including family (Jaeger, 1983, p. 93). European MNCs haven’t developed in the same fashion. For example, MNCs originating from nations like Germany and France still use traditional centralized/bureaucratic forms of control (Hickson and Pugh, 1995). Therefore, it is conceivable that U.S. JVs have stronger forms of cultural controls than their European counterparts.

For MNCs importing MCS, (self-) selection and socialization practices are likely to result in the employment of local managers who are in agreement with parent company MCS practices (Pratt and Beaulieu, 1992). Agreement with such practices is likely to be reflected in an organizational culture not unlike the values held by the foreign parent company (Laurent, 1983). As hierarchical relationships are the hallmark of Korean society, differences in organizational culture are likely to be found using Hofstede’s (1980) power distance dimension. Power distance represents the extent of equality between vertical levels in the organization and has been shown to be relevant at both the national (Hofstede, 1991) and organizational (Pratt & Beaulieu, 1992; Hofstede & Spangenberg, 1987) culture level. For this study it is expected that Koreans in U.S. JVs would exhibit lower levels of power distance than their European counterparts as a result of either (self-) selection or socialization practices. In addition, weaker forms of cultural controls in the European JVs would be evidenced by levels of power distance similar to local Korean firms. On the basis of the forgoing analysis, the following null hypothesis is formulated:

\[ H_{02}: \text{There will be no significant difference between Korean managers in U.S. JVs and European JVs in terms of their work-related values on power distance.} \]
Selection and socialization

Any difference found in work-related values may be due to either (self-) selection or socialization practices or both. This section explores some of the antecedents to these practices in order to unravel the influence of each. Manager age, education and term of employment are likely to play a significant role in the (self-) selection and socialization process. The (self-) selection hypothesis would indicate that employment in a joint venture is attractive to those Koreans who conform to particular aspects of the Anglo-American culture. Younger managers are more likely to respond to management approaches that are foreign to the traditional Korean approach to management whereas older Korean managers are likely to hold onto their traditional way of doing things (Chung & Lee, 1989). Education level is likely to be a key factor in (self-) selection since local Korean firms in the past tended to rely more on family relationships and non-specialisation as criteria for employee (self-) selection (Shin, 1984). JVs by contrast select on the basis of education as the main criteria.

For socialisation, Soeters and Schreuder (1988) showed that socialization and the influence of cultural controls is likely to be greater for managers who have been in the organization for longer. The socialization hypothesis would indicate that employees internalize aspects of the Anglo-American culture through organizational processes of socialization. Therefore, it is expected that greater use of cultural controls will be evidenced by younger managers with higher levels of education who have been in the organization for longer periods of time.

Ho3: There will be no significant difference between Korean managers in U.S. JVs and European JVs in terms of their age (Ho3.1), education level (Ho3.2) and term of employment (Ho3.3).

Method and Variable Measurement

Data for hypotheses testing was collected using a survey questionnaire distributed to 400 middle level managers in 28 JVs and 28 local manufacturing companies in Korea. For every company, a senior representative was interviewed to secure support for the survey, identify suitable respondents, and obtain qualitative evidence of specific practice. Following the approaches taken in the cross-cultural psychology literature, the questionnaire was subject to full scale translation and back translation. In addition, factor analysis was undertaken of the item responses that comprise each instrument. These procedures provide some assurance as to the psychometric equivalence of the measures across different cultural contexts (Hui & Triandis, 1985).
Budget emphasis was measured using a 13-item instrument adapted from the eight-item instrument used by Harrison (1993) (see Appendix 1). A factor analysis confirmed the conceptualization and reliability of the quantitative and qualitative components. The first two factors representing quantitative and qualitative criteria each comprised four items that were common across U.S., European and Korean samples, respectively (items b, c, d(i), d(ii) and f, g, h, i in Appendix 1). Each set of items were summed for a score of quantitative and qualitative criteria. The quantitative score was divided by the qualitative score to indicate the degree of budget emphasis.

Budget participation was measured using the six-item Milani (1975) instrument and cross-validated using the Hofstede (1968) instrument. Standard setting difficulty was measured by seeking respondents agreement with the statement 'standards are set at a difficult level', anchored on a seven-point Likert scale. Budget incentives was measured by seeking respondents agreement with the statement 'My pay and promotion prospects are closely related to how my actual performance (expressed in quantitative terms) compares with expected performance (expressed in quantitative terms)’, anchored on a seven-point Likert scale.

Power Distance was measured using three questions from Hofstede’s (1980) value survey. The first two questions referred to a taxonomy of four manager styles, from authoritarian to paternalistic, and required the respondent to choose under which they would prefer to work and which most closely corresponded to their superior. The third question asked subjects how often they expressed disagreement with their managers—scored on a five-point Likert scale from “Never” to “Always”. As to the appropriateness of using these items to measure organizational culture, Hofstede & Spangenberg (1987, p. 121) note that unlike individualism, masculinity and uncertainty avoidance, 'it appears that power distance can be measured with the same questions at the country, occupation, and organization levels.' Education was measured by asking the respondents their highest level of education, from secondary school, diploma, degree or post-graduate qualification.

Results
Survey data
Of the questionnaires distributed to Korean managers in JVs, 143 questionnaires were returned for a response rate of 75 percent. Table 1 provides the means and standard deviations of each variable of interest for the U.S. JV and European JV. The test of hypothesis 1 (H0) involved a multivariate analysis of variance of the four budget control variables between the U.S. and European JV samples with the inclusion of manager age,
Table 1: Between Group Analysis of Management Controls

<table>
<thead>
<tr>
<th>Management Control</th>
<th>U.S. Joint Venture Mean (Std. Dev'n.)</th>
<th>European Joint Venture Mean (Std. Dev'n.)</th>
<th>t-test (p &lt; 0.05*; p &lt; 0.01**)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget emphasis</td>
<td>0.77 (0.30)</td>
<td>0.82 (0.14)</td>
<td>-1.22</td>
</tr>
<tr>
<td>Budget participation</td>
<td>28.49 (7.15)</td>
<td>27.48 (8.45)</td>
<td>0.71</td>
</tr>
<tr>
<td>Budget setting difficulty</td>
<td>4.20 (1.48)</td>
<td>4.21 (1.42)</td>
<td>-0.03</td>
</tr>
<tr>
<td>Budget incentives</td>
<td>4.20 (1.78)</td>
<td>4.55 (1.64)</td>
<td>-1.07</td>
</tr>
<tr>
<td><strong>Covariates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age of manager</td>
<td>2.51 (0.66)</td>
<td>2.30 (0.64)</td>
<td>1.68* (one-tail)</td>
</tr>
<tr>
<td>Education</td>
<td>2.62 (1.02)</td>
<td>2.37 (0.87)</td>
<td>1.46</td>
</tr>
<tr>
<td>Number of years with the firm</td>
<td>3.38 (1.33)</td>
<td>2.75 (1.42)</td>
<td>2.48**</td>
</tr>
</tbody>
</table>

Hofstede's cultural dimensions measured in this study (scores for Korea reported by Hofstede (1991) in parentheses)

<table>
<thead>
<tr>
<th>Cultural Dimension</th>
<th>U.S. JV</th>
<th>EUR JV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance (60)</td>
<td>31</td>
<td>59</td>
</tr>
<tr>
<td>Individualism (10)</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Uncertainty Avoidance (85)</td>
<td>79</td>
<td>67</td>
</tr>
</tbody>
</table>

* Multivariate Wilks $F = 2.7167; p < 0.002$

**Interview data**

Further analysis of the factors that influence the use of budget and cultural controls was undertaken using data taken from interviews with senior management in the JVs. A number of questions were fielded covering the level of managerial autonomy, the extent of involvement in budget setting, reliance on relative versus absolute criteria in performance evaluation, rewards distribution and preset pay. Where time permitted, unstructured questions were used to obtain additional information about factors influencing the use of MCS.6
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Education and experience of senior managers. Senior management with non-Western backgrounds posed barriers for the successful adoption of foreign parent controls. This was the case in two JVs operating in the pharmaceutical industry in Korea. In the first JV, partly owned by French interests, the senior manager had a strong background in Korean management and was reluctant to change to a Western style of management. He was an older generation executive with the same firm for fifteen years and believed that his system was more effective. He noted that, 'the Western style is difficult to apply because the Korean evaluation method relies on age and status, whereas the Western style discards this completely.' The second JV comprised Swiss and Korean interests and like the first JV, foreign expatriates were in charge of finance and administration. Similarly, this company had Korean based internal officials with little or no overseas experience. One senior Korean noted that, 'we have the performance evaluation system and other practices done Korean style, so a communication breakdown (with foreign interests) is inevitable.'

In contrast to these two companies, many JVs had senior management with more Western backgrounds in terms of education and experience. In this case the problem of adapting to a different control system was mitigated by the exposure of the senior manager to overseas practice. In one company, the views of a Korean manager with international trade exposure were more Western than other Korean managers interviewed. He brought to the JV part of the performance evaluation system used in his previous position with a Chaebol and merged it with a Western management by objectives (MBO) system that emphasized responsibility and empowerment in meeting budget criteria. He noted that, 'we use a self-appraisal based on 50 percent local and 50 percent U.S. system. Under the U.S. system we use MBO, whereas with the Korean system there is a greater emphasis on relationships.' This coupled with the emphasis on qualitative criteria in performance evaluation which came from the Korean parent, formed the basis for the performance evaluation system. The overseas experience of this manager was one of the main factors that facilitated the adoption of this system.

As an example of the transfer of organizational culture by one U.S.-Korean JV, the chief executive officer (representative of the U.S. partner) noted the share of equity as critical to the success of the socialization practices. For their JV they held 55% majority ownership, different from most JVs in Korea that have a 50:50 ownership. This has allowed them to change the organizational culture dramatically with training and the skilling of the people.
One key item of the socialization process was the matrix structure that forced functional managers to communicate directly with foreign managers from overseas subsidiaries. 'Our managers have a lot of exposure to international thought through the matrix system of management that requires them to have direct contact with overseas managers.' The second key was the sending of managers overseas for product training and the emphasis on visits by overseas executives from America. This company, it was stated, booked on average 1800 hotel nights per year for visitors from overseas.

These examples highlight the importance of senior management to the effective operation of the control and wider communication system in JVs. Senior level managers who believe in and follow the Korean style, may hamper the process of change (for example, decentralisation or the introduction of a new performance evaluation system) that is often initiated by the foreign JV partner. This finding corroborates the importance of (self-)selection and socialization shown by the level of power distance and education reported in the survey results.

**Self-selection.** Self-selection by local managers aids in the importation of the control system. Koreans tended to perceive the JVs as offering greater status and opportunities for job enrichment and overseas travel. The problem highlighted by an expatriate however, is that the Koreans didn't want to take on the additional responsibility that came with promotion to senior management. They perceived the additional responsibility as a more risky position. A Korean manager noted that he originally thought that working for a JV would provide benefits like a five day working week and more salary, but latter he found that there was little difference. In contrast, an expatriate noted that Koreans prefer local companies because, (i) Koreans comprise top management and this creates a sense of family and certainty about their fate and future in the organization, and (ii) most of the Korean firms are larger, so they provide a greater sense of stability and certainty about their future with the firm. This supports the survey results that (self-)selection plays an important role in managerial commitment to the use of MCS in JVs.

**Conclusion**

The purpose of this study was to explore the pattern of budget and cultural controls in U.S. and European-Korean JVs in Korea—a nation with cultural work-related values highly divergent from Anglo-American cultural norms. The survey results provide support for the hypothesis that the use of budget controls is stronger for European joint ventures than their U.S. counterparts.
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As a proxy for cultural controls, power distance was found to be significantly lower for the U.S. versus the European JVs and local firms. This provided one indication of organizational culture not unlike that of the U.S. parent national culture on this dimension. Explanations for such finding were sought in terms of differences in manager age, education and term with the firm. A non-significant correlation between term with the firm and power distance indicated that (self-) selection may have played a larger role than socialization in facilitating the use of culture controls.

These findings were corroborated with interview data which revealed that the education and experience of Korean managers and (self-) selection facilitated the adoption of foreign parent controls. Self-selection by Koreans was evidenced on the basis of status, career orientation and preferences for greater challenges associated with JVs.

Actual corroboration of findings with Anglo-American parent company practices was not undertaken, and represent the main limitation to this study. Other limitations exist: (i) the difficulty of using a survey instrument to examine phenomena in a cross-cultural setting, where problems of scope of measurement and validation are exemplified; (ii) the subjectiveness of using interview data as a basis for findings. Future research would enhance knowledge in this area by focusing on the micro-aspects of controls adopted in JVs and how such controls relate to: (i) the gap between actual and preferred levels of equity control. (ii) the strategic relationship between the JV and partner company operations.

References


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Appendix 1

Items comprising the budget emphasis instrument

a. How well I co-operate with workers at my level in the organization (peers).

b. My ability to meet budgeted financial targets in short run (less than one year).
c. My long run concern with costs and/or revenues.
d.* My ability to meet budgeted non-financial quantitative targets:
   (i) in the short run (less than one year).
   (ii) in the long run (more than 2-3 years)
e. How well I get along with my superior.
f. How much effort I put into my job.
g. My concern with quality
h. My attitude, judgement and initiative with my work.
i. My ability to handle my staff (subordinates).
j. The comparable performance of others manager/s having a similar position.
k. My explanation of deviations from budget, including any corrective action plans.
l. Uncontrollable factors which explain deviations from budget.

Endnotes

1 East Asian nations include those identified by Hofstede (1980) as falling within the high power distance/low individualist 'Asian cluster' nations, namely China, Korea, Japan, Taiwan, Hong Kong, Singapore, Malaysia, Indonesia, Philippines and Thailand.

2 The complete questionnaire can be obtained upon request from the author.

3 The Anglo-American-Korean JV sample comprised 6 British JVs (respondents, n=9), 3 German (n=10), 13 U.S. (81), 3 Swiss (n=18), 1 Swedish (n=4). One French firm (n=7) was included in the analysis without changing the results. 14 respondents from a Japanese-Korean JV were not included in the analysis. A range of industries also was represented by the joint-venture and domestic company sample. Most of the JVs held 50% equity control.

4 The demographic variables were significantly different (one was marginal) between the two samples. Hence they were treated as covariates in the MANOVA analysis.

5 The method used to test for differences in power distance followed that undertaken by Harrison (1993). Work-related value dimensions of individualism and uncertainty avoidance were also measured. Consistent with the absence of expectations of a difference between the JV and the local firms, no significant difference was found between the samples.

6 The analysis of the interview data was confined to the experiences and representations of managers in 22 JVs.