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FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING

“A critical evaluation of the effectiveness of international joint ventures in enhancing performance of an entity”

A Case of RSC-Steelforce (Pvt) Ltd

By

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*This dissertation is submitted in partial fulfilment of the requirements of the **Bachelor of Commerce (Honors) Degree in Accounting** in the department of Accounting at MSU.*

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I Talent Mano declare that this research project is my own piece of work and has not been copied from any source without the acknowledgement of the source.

DEDICATION

I dedicate this dissertation to my parents, you have been my inspiration since genesis. Thank you for your undying support but above all glory is to the Almighty for the divine protection and guidance throughout this academic period.

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My deepest and heartfelt acknowledgement goes to my supervisor Mr J.T Satande who aided to nurture this research project into a complete and meaningful document. I would like to express my gratitude to my parents Mr and Mrs E Mano, my brothers Tendesekai and Shingirai Mano, my sisters Bridget, Florah, Pauline, Shamiso Mano and my friends Primrose, Tinashe, Nyasha, Reward and Nkosinathi for the continuous assistance that they gave me and for their endless support throughout this study. Many thanks go to the staff members at RSC-Steelforce for the provision of information which was of paramount importance for the progress and success of this research project. Nothing could ever be accomplished without guidance from Almighty, I would like to express my gratitude to God for such care and support so far and numerous blessings towards my destiny of self-actualization in the future.

ABSTRACT

This study's main objective is to critically evaluate the effectiveness of engaging into an international joint venture with the aim of enhancing or improving the profitability together with the overall performance of an entity. At the end of 2015 Reinforce Steel Contractor and Steelforce got into an international joint venture with the aim of increasing revenue collection, reducing cost and sharing risk, improving profits, creating economies of scale, cost synergies, effective management of interdependence and strengthening of the capital intensity, pre-empting competition, assessing new technology and accessing new customers thus expanding revenue streams. However, in the post international joint venture era the entity witnessed slight decrease in costs and premature increase in revenues and profits not achieving the targeted profit revenue and cost which raised eyebrows on the effectiveness of international joint venture in enhancing performance. In the study a descriptive research design was used in data collection and primary data was collected through questionnaires and interviews and secondary data was attained from the company financial statements. The population samples comprising of thirty-six employees were drawn from RSC-Steelforce (Pvt) Ltd and the stratified random sampling technique was used to come up with a sample. The study unveiled that the entity is enjoying some competitive advantages through the acquisition of highly technical machines, increase in market power, gaining of purchasing power through discounts and charging of low prices. The challenges being faced by the company include inadequate defined operational interfaces with the parents, lack of communication and coordination amongst its departments. Recommendations were suggested which include the implementation of training programs that facilitate knowledge and skills sharing amongst employees and adopting a variety of technological services and accounting programs to cater for the ever-changing customer tastes and preferences.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

In this chapter the researcher aims at outlining the background of the study before explaining the problem statement of the project. The writer will then list the objectives of the study then mention the research questions according to the thesis. The author will then go on and clarify on the significance of the study, limitation, delimitations and then define terms related to the thesis before concluding.

1.1 Background of the study

It is established that international joint ventures have a direct impact on the performance of an entity. Researches have been done by different scholars to understand if joint ventures have a direct relationship with the performance of a company and different conclusion were drawn. Across the country cases of joint ventures are on the rise as companies have realised the supremacy of working together for a mutual reason. The Harvard business reviews of 2009 outlined that on 49 joint ventures 51% of these were successful and by successful they were looking at returns archived compared to cost of capital, in 2011 the same study was carried out and 53% were found successful, which is evidence that joint ventures are continuing to grow over time globally.

Engaging into international joint venture is one of the most common strategies being used by companies to find new customers and reach the oversea markets and find business partner who can aid the organization to open up opportunities globally and share ideas. Mckinsey (2014) basing on the American statistics show that more than 3 quarters of joint ventures have either met initial expectation or benefited all parental companies. Based on these findings companies have concluded that alliance is perfect for managing risk, the allotment of cost of large capital investments projects and injecting new entrepreneur spirit into growing business. The African Business Magazine (2015) outlined that a total of 600 Turkish businesses have met about 350 African counterparts to discuss joint venture deals and an amount of \$63.3 billion was invested in Nigeria by Turkish companies in form of joint ventures. A lot of European companies are recently drawing their attention to African countries due to a number of factors which include open opportunities as there is need for infrastructural development and digital transformation not excluding the vast markets in Africa.

On the other hand, regardless of all the merits of alliance some international joint ventures fail before achieving what they had planned while entering in an IJV. Kotelnikov (2018) explained that poor or unclear leadership is one of the top reasons of joint venture failure. In most case international joint venture partners agree on the leadership role. However, disagreements between parties might arise and the leadership role can be left unattended jeopardizing the day to day running of the business thus making important decision unprofessionally which compromise the future of the venture. Failures of international joint ventures are driven by a number of factors which include the failure to build a sustainable strategy and maintain this strategic alignment across the discrete corporate entities. Most of these entities have their own goals which they aim at achieving. Huang (2003) explained that IJVs are one of the business forms which are difficult to manage due to the multiple complexities which are inherited by involving 2 or more organizations from distinct countries which have different political, cultural, technological, legal, economic and managerial backgrounds.

Ozorbon (2007) explained in his research that the failure rate of international joint ventures is high compared to domestic joint venture in Africa. Continued research by Beamush and Berdrow (2003) has established that more than 50% of IJV in African developing countries have failed and 30% fail in the developed American countries. Ding (1996) and Ozorbon (2007) have grouped the risks which contribute to these levels of failure of IJV in African countries. They stipulated that the risk can either be Political or financial risk. Under political risk they raised cases like government interventions coming up with fund repatriations police, in which we can include the 51 against 49 % indigenisation policy of Zimbabwe. Still under the political risks there are labour and immigration policies and we can include the xenophobia of South African also as a risk. Financial risks are those risks which affect directly the economic performance of an entity or the profitability of the joint venture. Financial risks include taxes, exchange rate, inflation and credit rating.

Bing et al (2005) and Adnan (2008) have come up with risks which also contribute to the failure percentage in African countries. These risks differ with countries specifically and the named them as internal risks which concentrate on the size of the firm, the expertise in the firm and the technical ability. Secondly there is the project specific risk which differs with project ventured in by different entities for example in Zimbabwe the risk faced by an entity investing in agriculture is different for and entity venturing in Mining of manufacturing. The third one is the external risks which are associated with the financial, political, social and cultural environment from which the international joint venture is operating.

Empirical studies which were carried out by the Harvard business reviews, Mckinsey (2014) and some scholars like Killing (2003) only to mention a few have given us the statistics and the numbers on the growth of international joint ventures and the merits which are inherited by engaging in an IJV and on the other hand Bing et al (2005) and Adnan (2008) have outlined on the drawbacks of IJV mention a number of risks. Generally, it remains unclear on the initial impact of IJV on entity's profitability, employee satisfaction and security which have direct impact on production, cost management and revenue generation.

Steelforce Pvt Ltd is a Zimbabwe based company which emphasis on the production of construction materials which include brick force, mesh, nails and barbed wire only to mention a few. The company sells its products to construction companies and other retailers in the country and abroad to neighboring countries which include Zambia.

In the recent history the company has been struggling to generate its desired revenue and its desired profit as well. Dovoren (2018) explained that revenue budgets are forecasts of a company's sales revenue and expenditure and these are essential as they help to establish whether the company has adequate financial resources to conduct business operations, make profit and grow the business. As a result of disappointing results from the period of 2011-2013 the company has been retrenching employees with the aim of reducing it labour costs and in the same time maintain the same levels of production.

Kotelnikov (2018) enlightened that international joint ventures involve two or more entities pooling their resources in form of assets and expertise to achieve a specific particular goal which is mutual between parties. In most cases the main objective is to expand the business, development of new product satisfying the needs of the rapidly changing customer taste and moving in to new markets, with the same idea, the company was engaged in a joint venture with a south African based company Reinforced Steel Contractors (RSC) which is in the same line of production as Steelforce. Below are extracts from the company income statement, the company budgets and from the production report from the period of 2013 to 2017.

Table 1.1: steelforce (Pvt) income statement extract

Year	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$
Sales	873562.46	836471.91	643972.53	652712.43	728472.44
variance %	-8.05	-11.95	-24.24	-23.21	-19.06
Costs	537245.33	612376.74	471691.49	372921.05	342731.71
variance %	-17.69	-34.15	-3.33	18.31	24.92
profit	336317.13	224095.17	172281.04	279791.38	385740.73
variance%	-31.85	-54.59	-56.22	-28.90	-13.02

Table 1.2: An extract from the production manager's production report in tones

Year	2013	2014	2015	2016	2017
total production	570640	340361	337291	363241	461637
Budgeted	600000	500000	450000	450000	500000
Variance%	-4.89	-31.88	-25.05	-19.28	-7.67

Table 1.3: The budgets of the company

Year	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$
Sales	950000	950000	850000	850000	900000
Costs	456500	456500	456500	456500	456500
Net profit	493500	493500	393500	393500	443500

As shown in the table, the company made massive sales of \$873562.46 in 2013 with a variance of (8.04%) but due to the operational costs which were high of which the salaries and wages made the major part of them, the profit for the period was low, Harrison (2017) explained that the goal of most business is to maximise profit and reduce cost, he continued and enlightened that a company's proficiencies in these areas depends on the relationship between the total

revenue, profits and total costs, due to the interconnection of these a change in any one affect the other. At the end of the year the company reduced its staff by 120 employees. Although the entity had reduced its staff in 2014 the cost of the company increased as the company had to pay retrenchment packages to the outgoing staff, this caused the company's profit to decrease in 2014. Due to the enormous reduction in the production staff, the production for the year 2015 reduced significantly which led to a decline in the levels of sales for the period, even though the cost reduced as compared to the previous year the company recorded low profits due to low sales.

At the end of 2016 which is the year in which the company was engaged in a Joint venture, the production report shows an increase in the levels of production of 25950 tonnes compared to 2015, the sales for the period also slightly increased by \$8739.90 from 2015. The costs for the year also reduced by nearly \$100000, 00 which propelled a rise in the profit for the year. A continued rise in production, sales and profits are achieved in 2017 and the cost also reduced in the period.

After Steelforce was engaged in the joint venture, the company saw an improvement in production, sales, profit and the profit. The study aims at finding out if the improvement on these variables was thrust by the introduction of new production machine provided by RCS, introduction of new skill, a change in the management engaging the South African management team in decision making, motivation of staff lead by this alliance as staff felt safe in terms of job security. The improvement on sales was it due to the exposure to new markets brought by RCS or it was due to opportunities which rose in the country. A significant reduction in costs of the company in 2017 was it because of the cost sharing between the two companies or the new management came up with cost reduction techniques. Thus, this thesis intends to find the effectiveness of international joint ventures in enhancing performance of an entity.

1.2 The problem statement

Engaging in international joint ventures is a strategic way to overcome business difficulties with the aim of enhancing performance inform of increasing profits and sharing the costs of production. International joint ventures take two companies from different political, cultural, social and financial background joining forces. These companies have different goal in which they aim to achieve thus erupting a number of disputes if needs are insufficiently taken care of, giving us doubts on if international joint ventures are always the answer to performance problems in an entity for they are not always successful

1.3 Objectives of the study

Main objective

- To access the relationship between international joint venture and performance.

Sub objectives

- Investigate on the challenges faced in IJVs and the possible solution which can be put into action to curb failures and achieve targeted objectives.
- Investigate on the factors which affect the operation of an international joint venture in the host country.
- Access the motives behind engaging into an international joint venture.

1.4 Research question

1. Is engaging into international joint ventures an effective measure of improving the performance and profitability of an entity?

1.4.1 Sub questions

1. What are the motives which push entities into engaging into international joint venture and possible drawbacks associated with alliance?
2. What are the possible drawbacks that can causes an international joint venture failure and what possible solutions can be drawn to curb against the causes of these failures?
3. What are the factors which denounce the operations of an international joint venture in the host country?

1.5 Significance of the study

This thesis is done as a partial fulfilment of the Bachelor of Commerce Accounting degree at the Midlands State University.

This research is intended to bring light to entities and individuals in Zimbabwe and abroad on the merits of international joint ventures and on the other and the risk which comes with the issue of alliance in entities with different backgrounds basing on politics, culture, markets and finance.

1.6 Definition of terms

In this specific research the writer will use several specific terms repeatedly. Definition of terms differs with how the writer intends to use them thus the author has below given definition of terms which will mostly be used in the thesis thus avoiding confusion.

International joint ventures

International Joint Ventures in most cases are defined as joint ventures which involve two or more entities from different geographical boundaries or countries ally and cooperate across cultural and national boundaries. Bloomberg (2014) defined IJV as a process in which two or more organization from different countries pool their resources together in form of assets, cash and expertise or skills to build up of form a newly independent company as a going concern.

Institutional Distance (ID)

Kostove and Zaheer, (2009) have explained institutional distance as the measure of cross-country variations paying particular attention to the extent in which they are similar or different in terms of technology, economics, cultural, knowledge and administrative. Berry (2010) agreed and stipulated that institutional distance highly affect the performance of an international joint venture and should be highly valued when considering engaging into an international joint venture.

Performance

Profit is believed to be the actual main indicator for measuring and assessing the performance of an entity. Economic performance means that the attained results are expected to surpass the defined objectives Tulvinschi (2013). Performance is also defined as a numeric outcome of an analysis measuring how well an organization is achieving its objectives taking into consideration the invested amounts and time comparing it to the outcome.

1.7 Assumptions

1. The respondents will provide fruitful information which will help in drawing a reasonable conclusion of the thesis.

2. Secondary data that is relevant which is going to be used will be assessable in the time in which they are needed.

3. Questionnaires issued will be effectively and timely attended to.

1.8 Delimitations

The research is going to be carried out at Steel force Pvt Ltd which is the company which was in a joint venture with RSC located in Bulawayo.

1.9 Limitations

The writer's access to financial statements will be limited as some parts of these statements will be considered private and confidential.

- This research is going to be based on samples and the sample size is small as we are basing on one entity thus making the information limited.
- The information the writer is going to gather is only one-sided for the writer will be unable to interview the parent company which is based in South Africa.
- As the year end is approaching most of the staff will be busy with their work thereby failing to give as much adequate information as possible.

1.10 Conclusion

This research is presumed to contribute to organisations that have adopted international joint ventures and to those with intention of venturing into joint ventures. In the first chapter the researcher outlined the background of the study from which the project will be based on, he then listed the objectives of the study before outlining the literature review, research methodology, limitations and delimitations of the study.

CHAPTER 2

LITERATURE REVIEW

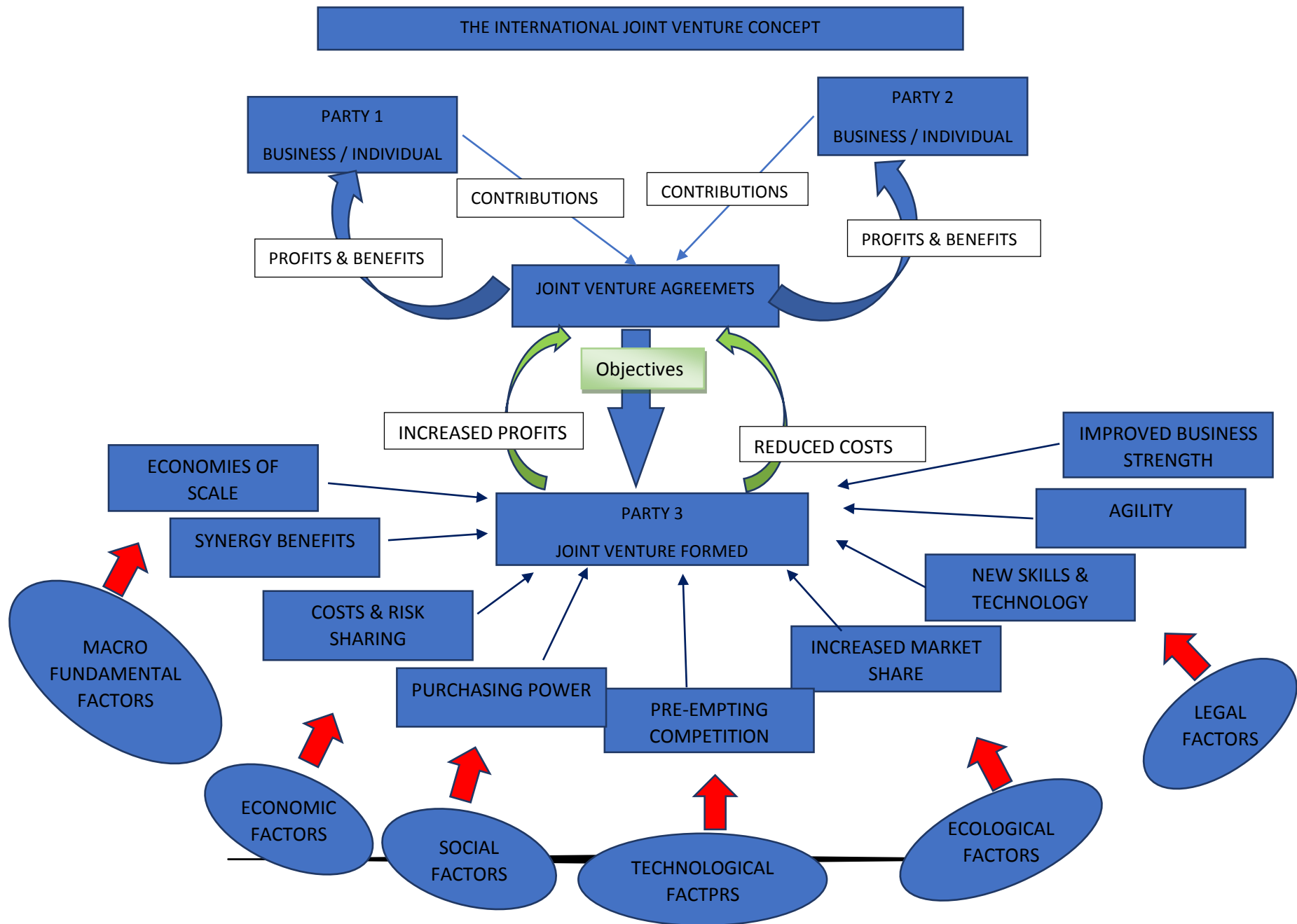
2.0 Introduction

In this chapter the researcher strives to conduct a thorough review of the most relevant theories and findings outlining an overview of what has been researched, argued and established relating to a topic reviewing journals, articles, textbooks and additional sources relevant to the study. The review will serve as a reference point to my hypotheses. The literature review is included in this paper as it explains the underlying motives for entering into an international joint venture, circumstances which are encountered in an international joint venture and the outcomes which are highly expected in an international joint venture.

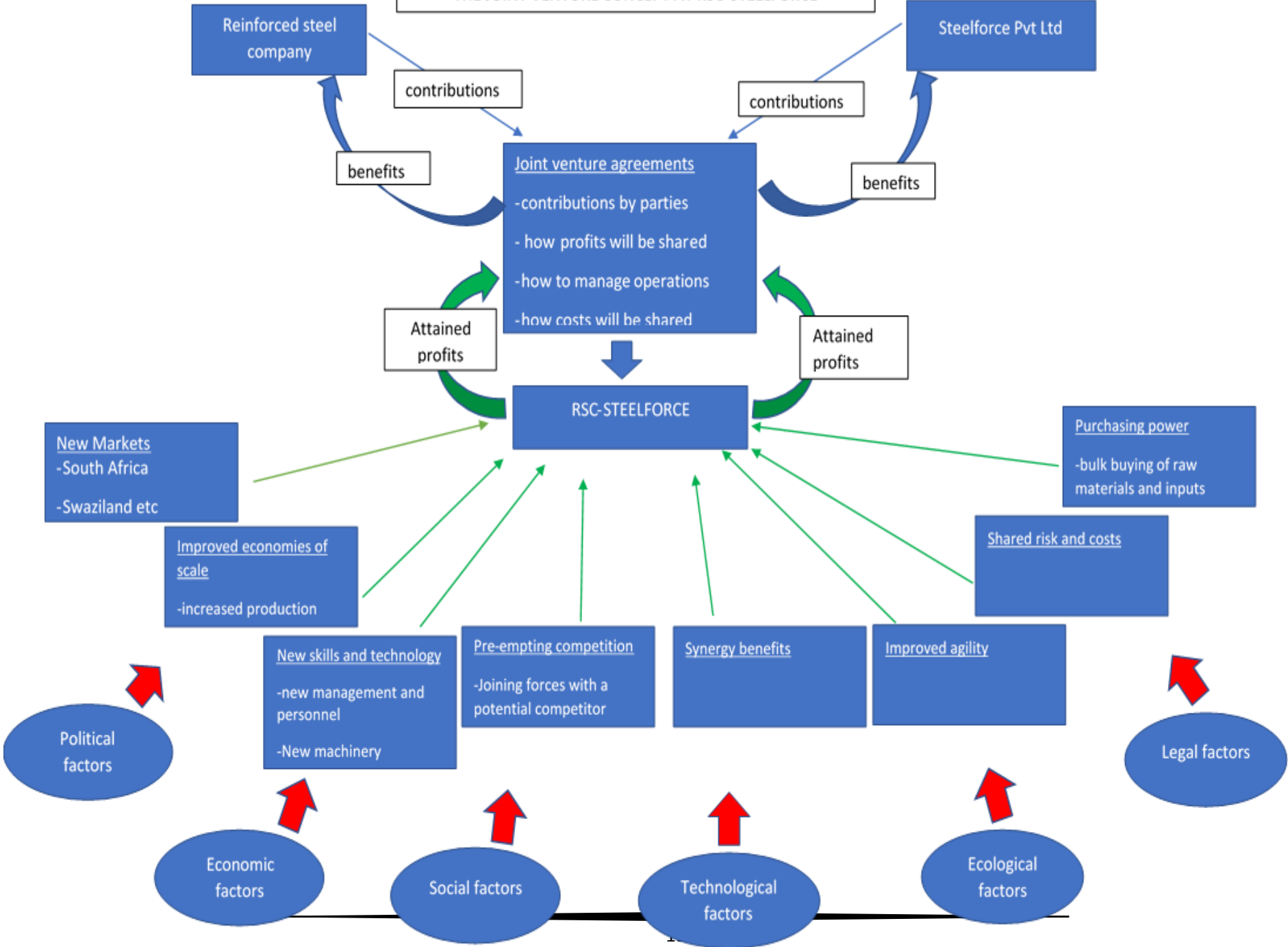
2.1 The international joint venture concept

The concept of international joint venture has been explained differently by different scholars from countries outlining the concept using different mechanisms. In this thesis the writer has designed an illustration to diagrammatically to explain the concept of international joint venture deriving the information presented from different scholars. Below is a diagram showing how international joint venture work.

Fig 2.1: The concept of international joint ventures



THE JOINT VENTURE CONCEPT AT RSC-STEELFORCE



2.2 What are international joint ventures?

International joint ventures are defined as two companies from different countries pool their resources together for reasons which differ with entities. Maughn and Stewart (2017) explicated that an international joint venture is when two or more business partners from separate jurisdictions join together to exchange resources, share risks and divide rewards from a joint alliance. International joint ventures are a form of cooperative tactic where firms create an alliance with the aim of combining their resources and capabilities Mailanyi, (2014). One of the objectives which is aimed by entities is to establish a stronger competitive position in the industry. According to Al-alak and Tarabieh, (2011) firms can eliminate the negative effects of competitive opponents by establishing higher barriers to entry through amalgamating financial resources, development and research, manufacturing, and distribution channels. Norwood (2013) defined international joint ventures as an agreement between 2 or more companies aiming to ease work and work together to achieve a mutual objective. Harrigan (2011) outlined that international joint ventures comprise of more than 2 legally distinct companies, and each of these companies is expected to invest in the venture in form of assets or any other type of investment which is deemed appropriate by the counterpart. These companies are expected to partake into decision making together jointly and no partner is regarded as sleeping partner. 50/50 is the most common type of joint venture were each partner is responsible for the 50% ownership of the company. From both parties management teams should be provided who will be responsible for decision making in the company.

2.3 Agreements on the operation of an alliance and the sharing of profits among joints.

2.3.1 Formal Agreements

There are a variety of legal documentation which always accompany the creation of an international joint venture. These are mostly closely connected to the issue of controlling the entity. Naba and Chen (2014) explained that the by-laws, defined operational interfaces with the parents and shareholders agreements which are in a legal sense the cornerstone of any venture are expected to outline such things as the scope of venture, the executive committee and defined operational interfaces with the parents, the types of decisions which need to come to the board for approval and the percentage of votes needed to approve various types of decisions.

In addition, Jayaram (2014) outlined that there is often a series of agreements between the local partner and the foreign partner. These could cover the supply of component parts, possibly the marketing strategies of the venture's products in countries beyond the borders of that in which it is located and the supply of product design and production process technology.

However, Bhutta et al., (2015) explained that in each of these agreements discuss the degree of control to the foreign partner if for instance, the international joint venture can attain its technology from no other source, the foreign parent will effectively control the product design, much of the economics of the production process, and the rate of introduction of product modification. Similarly, Jayaram (2014) clarified that through the supply of component parts the foreign parent will automatically be involved in question of production scheduling, modification of the product for the local market, and whether or not to build products for inventory. Product pricing, distribution, advertising and what is going to be featuring on the product is determined in the marketing agreements. The more the parent is involved in such discussion on an ongoing basis, the greater its influence.

In an international joint venture, the participating members enter into alliance with different objective they expect to be fulfilled in the process. At the end of each financial year the benefits or profits or losses should be shared among the members in a more diligent way which is favorable to all partners in the joint venture. The way in which the profit is share should be priory be agreed upon entering into a joint venture.

2.3.2 Aspects of profit sharing

In a written formal document, the way in which profits are going to be segmented amongst partner should be clearly stated. These agreements help the company to reach an equilibrium from which all parties are satisfied explained Kuparinen (2011).

The process of sharing profits has been given several meanings which are based on the scenario on the ground. Jarimo et al. (2005) described the aspect of profit sharing as a utility sharing in instances of process innovations. Scholars have viewed profit sharing as a way to encourage partners to be innovative and share the gains of innovations.

Lo Nigro and Addate (2011); Chauhan and Proth (2005); Mitra & Wang (2003); Chen and Chen (2005); Karjalainen et al. (2005) have referred to profit sharing as risk sharing. They have revealed that the process profit and risk sharing are the same what differs is the economical

balance. Therefore, risk and profit are strictly related. the major driver which should be used is risk in profit sharing between the participants in an international joint venture.

According to other scholars, profits referred to in monetary term or some other benefits are also regarded as profits in the operation of an entity. Stein and Ginevicius (2010) outlined that the issue of profits can be further be explained in other two aspects. The scholar came up with the non-financial and financial aspects of collaborative gains which should be considered. Stein and Ginevicius explained non-financial profit as intangible benefit because of their complexity in measuring. They explained that the main source of intangible benefit is technology spillovers. They also explained financial benefits as the monetary profits which are gained in the operations of the business in the financial period.

Conclusively in the enormous majority of joint-venture investment situations, one of the partners is more likely to put up the majority of the finance or related resources and the other. So, the question arises on how one would split the profits and income to ensure that both parties are satisfied and motivated? All these factors should be taken into considerations at a very early stage and only income and profits after all costs have been deducted should be open to discussion. In a perfect world it would be a 50/50 split on income and profit but this will depend upon the time, money and effort each partner puts in. There is no hard and fast rule on how the profits or other benefits should be share effectively.

2.4 What are the motives behind engaging into an international Joint Venture?

Most entities are interested in exploiting available opportunities in the business environment and tackle all the threats posed on their own which is not usually easy to achieve by itself thus engaging into international joint venture. Leepsa and Mishra, (2013) stated that the increased global competition as well as domestic rivalries has compelled the firms to become more innovative and continue introducing new products in market and to do so efficiently acquire necessary skills and necessary technology, thus to achieve these it is more imperative for firms to engage into collaborations with other companies and at times even with competitors to stay ahead in the competition and also to eliminate competition.

2.4.1 Economies of scale

The economies of scale is described as the relationship existing between the volume of production and cost of production per unit (Chibuzor, 2016). The ability of an organization to

diminish the production cost per unit is through the increasing production quantities which are referred to as the creation of economies of scale. Naba and Chen (2014) also agreed and stipulated that the paramount objective of most mergers and international joint ventures is to enjoy economies of scale and relatively create competitive power over rivals in the industry. Okpanachi (2014) explained economies of scale as the benefits which are enjoyed by an entity for being big in size and production thus engaging into an international joint venture with a company exposed to technology and skills will improve the production levels and enhance economies of scale.

2.4.2 Enhance existence

Cheng-Bum, and Beamish (2004) outlined that the major advantage of engaging into an international joint venture is that it makes it a reality for a business to come into existence at the right time which is desired by the company which could not have been possible considering the status of the entity and the capabilities and limited resources of the firms. In case of an international joint venture it is possible for both the partners to generate sufficient financial resources and capabilities to expand their own later but by that time the strategic window of opportunities might be closed or the business might have saturated not worth considering to take it up Penttila (2005).

2.4.3 IJV builds business strength

With regards to the SWOT analysis strength is referred to at those features which are possessed by any entity which help it to operate effectively and to out-rule its competitors. as an example, an entity could be strong in terms of technical knowledge Morrison (2016). Cadle, Paul, Turner (2010) explained strengths as tangible assets such as equipment, existing channels of distribution established and loyal customers, available capital, copyrighted materials, information and processing systems, , patents and other valuable resources. Therefore, being in an international joint venture help to improve the company's assets, its customers the channel of distribution and information systems which are an advantage to the company.

2.4.4 Spreading cost and risk

An important factor in the success of a joint venture is risk as it determines the profitability of the project for both partners. The first step of risk management is to identify all possible risks the company is most probably going to encounter. Rao and Ramamohan (2016) outlined that

determination of responsibilities in terms of who will be responsible for the risk discovered. Gomes (2014) explained that in the formation of an international joint venture both companies agree thereby not being single in the bearing the costs of its failure.

2.4.5 Pre-empting competition

Borghgraef (2014) mentioned that international joint ventures are an effective way of managing the supply chain as it has the capability to permits the company to create competitive advantages. Full control over the supply chain aids the entity to respond conveniently to the fluctuations in customer preference and also the competition within the industry. Companies merge themselves with potential competitors for strategic purposes of reducing the competition. Nasieku and Joseph (2016) emphasized that planned partnering facilitates an entry into a foreign market. For example, firms feel that if they are to successfully enter the Chinese market, they need a Chinese counterpart with the understanding of the business conditions.

2.4.6 Purchasing power

Gao (2015) states that purchasing power is the ability or capacity of an organization to influence general prices of the supplier. In agreement Ugwuanyi (2015) explained that purchasing power is referred to as the bargaining power were by an organisation has a direct influence and impact on the purchasing price caused by the volume of product being acquired. After entering into an international joint venture, the entity will have the ability to buy goods and services in bulk attracting discounts. Xing (2014) supports and elaborated that much bigger firms are offered credit facilities by suppliers since in most cases they will able to meet their obligations in time due to their capital intensity, hence discounts and promotions are attached to the credit facilities.

2.4.7 Access to new skills, technologies

Doz and Hamel (2006) outlined that engaging into an international joint venture is a strategic way to amalgamate complementary assets and skill that neither entities could easily develop singularly. Engaging in an international joint venture will help the company to have access to already available technology in the joint counterpart. Technology like the accounting systems machinery and even news skills are shared between companies in an international joint venture with the aim of maintain consistency among the two companies. What makes sense if forming an alliance with a firm that will help an entity achieve technological standard of the industry.

2.4.8 Access to new customers and expanded revenue streams.

Batten (2017) delineated that engaging into an international joint venture with a foreign company will open up new customer lines in the foreign country from which the venture partner is based. In most countries, local regulations by the government prevent foreign entities from entering except through an international joint venture or partnership with a local business. Giuliani and Valle (2015) outlined that an entity might gain access to ready-made distribution or marketing network of another joint venture partner and feed the new product swiftly and smoothly into the market. A weaker business aims at expanding its sales and distribution channels when it engages a stronger partner. This alliance will result in large revenue streams. Lavitt (2010) explained that allying with a large popular brand increase small business credibility.

2.4.9 Access to foreign and new expertise (Short learning curve)

Inkpen (2002) outlined that when international joint ventures are formed, valuable learning opportunities are created for the minor venture partner. One of the main objectives when engaging in a joint venture is to expose the company and exploit the learning opportunities through the acquisition of skills and knowledge from the merging partner. To start and build knowledge and expertise necessary to operate in key target market from scratch is time-consuming and costly. Tsang (2004) stated that forming an alliance with a business that has the specific area of expertise necessary for entering target markets can permit an international Joint Venture counterpart to reduce the time it would take to develop the expertise from start.

2.4.10 Improved agility

Lui (2016) explained that organisational agility is regarded as a main differentiator in today's hastily changing business environment. He continued and explained that companies should be agile sufficiently to anticipate vital marketplace shifts and reform their business priorities responding to the market movements. For an effective business growth there is need for quick and easy movement of the entity explained Viera, Araujo and Sambaio (2017). Thus, it is important for companies to gauge and take in considerations of the market views of the overall business on the local, regional and global level before they plan and execute their business expansion goals. In case of an international joint venture an entity has the capability of moving from one place to another or country to country assessing how other entities are partaking their businesses.

2.4.11 Synergy benefits

Synergy refers to the cooperation, working together or interaction of two or more entities, or other counterparts to yield a combined result which is greater than the sum of their divided effects Bhutta et al (2015). Joash (2015) explained that the main objective of international joint ventures is to diminish operating cost by merging operations which will enables the venture partners to avoid wastage and utilize resources lying idle. Lai et al. (2015) agreed mentioning that mergers and international joint ventures enable organizations to create cost synergies which have directly influence the financial performance of an organization. International joint ventures in most cases offer the equivalent type of synergy benefits that companies often look for in partnership, mergers and acquisitions. Companies in international joint venture enjoy either financial synergy which depresses cost of capital, or operational synergy which increases operational efficiency in two companies working together.

2.5 Drawbacks of engaging into international joint ventures

Regardless of all the merits which come with alliance, international joint ventures also have their drawbacks which should be taken into consideration before venturing into them. Stewart and Maughn (2014) clarified that in international joint venture frustrating experience can be encountered and this could ultimately lead to business failure if there is inadequate strategic planning. Wolf, Ronald Charles (2011) explained that factors such as marketplace developments, technology issues, economic down turn and regulatory uncertainties can be tough to anticipate and can have a devastating impact on International Joint Ventures. No joint venture can be success without each partner trusting each other. Full trust when engaging into an international joint venture lead to a counterproductive joint venture. Paying attention to the interest of individual partner is vital in reaching the goal of the international joint venture. Darrell Swartz (2010) alluded that it is the partners responsibility to keep the right balance in the venture as paying attention to own interest will damage the joint venture interest, thus both partners should make it their priority for joint venture to survive for long.

2.5.1 Conflicts

Hyder (2015) elaborated that international joint ventures shared ownership arrangement in most cases result in disagreement and conflicts with regards to control in the company. The conflicts could be centered on the changing of the main objectives and goals of the venture. Christoffer and Sara, (2016) explicated that conflicts between entities is more when the venture

is of diverse cultures and nationalities, these conflicts lead to the dissolution of the joint venture. bargaining power in most cases is the driver of such conflicts between venture partners.

2.5.2 Failure to perform

Groot and Merchant (2010) stipulated that an international joint venture partner might be over-committed and may not be able to perform the task as anticipated the international joint venture is bound to fail to contribute financial or -non-financial inputs which will damage the performance of joint venture and, hence, the effort of the other joint venture partner. An alliance partner selected by an organisation may be found to be unsuitable later. By the time this fact becomes manifested substantial resources, efforts and time might already have been invested.

2.5.3 Government policies

Governmental industrial policies have large influence on development trajectories and industrial performances. Kurien (2005) explained that it is the government responsibility to protect and promote industrial developments. The government should develop industrial policies which are enable to intervene when necessary and to influence industrial evolution. Luo (2006) explained that the governmental interventions are carried out in basic policy forms which probably include trade policies such as quota, tariffs and other anti-dumping methods aimed at protecting the local market that is inferior from stronger foreign competition. The government can also draw support polices such as preferential loan, tax incentives, licenses, subsidies and government contracts to encourage the expansion of domestic companies. The host government which is the government of the country where the international joint venture is set up may outline that investment inform of joint venture should include investment under export activities or employment of a substantial sum of local workers. These stipulations may result drawback in the operations of the firm.

2.5.4 Unclear objectives

Buchel (2002) elaborated that in the process of entering into an international joint venture if the objectives of the established business or the objectives each partner are not clearly outlined int the by the contract in terms of the partners contribution in terms of resources, responsibilities, obligations, rights, profit share, and profit-sharing percentage and its distribution method these could brew conflict during the operations of the joint venture. When entering into an international joint venture issues on how to solve conflicts or disputes should

be defined in the agreements between partner and failure to do so will result in the fall of the IJV which is another disadvantage of entering into alliance.

2.5.5 Flexibility can be restricted

The day to day operations of a joint venture requires alterations in one or two regulation of the company so as to meet the requirements or satisfy a customer explained Killing (2003). There are times when flexibility is restricted in a joint venture. It is hard to compromise some rules when a lot of people or management is involved in decision making. The lack of flexibility in decision making can lead to an entity losing its potential major customers which could affect the customer base of the entity.

2.5.6 Great imbalance

Wang at el (2016) outlined that it is extremely no possible that all the organizations working together can possibly share equal involvement and the level responsibilities be at equilibrium. The issue that two or more distinct entities are working together, there is high probability of great imbalance of investment, assets and expertise. These differences can have a negative impact on the performance or effectiveness of the international joint venture. Most joint ventures have mutual dependence between the partners at the formation of the joint venture. Kamp (2014) clarified that for a balance of mutual dependence to exists there must be a balance between division of control, equity position, assured contributions, and the virtual importance of the international joint ventures for the partners' own approach. As time goes on the stability of mutual dependence may transform due to a change in the internal or external conditions or a clearer or better understanding of the perceive and actual contributions. The imbalance of mutual dependence in most cases influence the ongoing feasibility of the joint venture and the joint venture relationship.

2.6 Challenges faced by international joint ventures at the period of launching and during operations.

2.6.1 Misalignment on venture strategy

Blonigen and Pierce (2016) outlined that maintaining of agreement on the how the venture should be run is not easy when reasoning minds disagree or when the shareholders or manager are pulling in separate directions aiming at achieving different objectives. Wang (2013) stated

that counterparts which disagree on the strategy to be used often issue conflicting guidance to the venture management team, these disagreements create delays and confusion, and compelling the joint venture CEO to spend much time and effort trying to solving internal owner differences and disputes rather than directing focus on the day to day running the business. This problem is more common in fast-paced markets which include high-tech, telecom and media, where real-time decisions are supposed to be made.

2.6.2 Over-satisfying parent needs and requirements

International joint ventures have a usual and understandable but dangerous tendency to try to satisfy the owner appeals and requests to develop this product and another service instead of focusing unremittingly on the customer and the objectives of the joint venture explained Vardhana (2014). Reichert and Zawislak (2014) agreed stating that this tendency results I project delays and excessively increasing costs and results in the sowing of the seeds of unhappy partners who will in the near future withdraw support from the monster of their own creation.

2.6.3 Insurmountable culture clash between parents

Hroot (2016) outlined that many international joint ventures are doomed to collapse due to the partners who does not have the capability of working together effectively for the greater good. This explain the difficulty of associating cross-border cultural differences to try and create effective and a consistent joint venture culture. Researches done Sanusi (2013), Taveira et al. (2014) and Gugler et al. (2015) show that in an international joint venture half of the employees possess positive statements to say about the culture inside the international joint venture joint venture. In worst cases, culture clash is stirred by the venture partner who demonstrates an unethical yardstick or despise another partner's culture. According to Chibuzor (2016) explained that the worst scenario in culture differences in an entity is when one partner views the relationship in an entity as a one-way to extract value with no intent of collaborating with the other partner.

2.6.4 Inadequately defined operational interfaces with the parents

Verma and Sharma (2014) stated that joint venture written covenants say little of the day-to-day running structure of operations, and inadequacy must be occupied in by launching teams from the shareholders of both companies to outline how the business should be carried out. In

some cases, this process is unable to outline on the partner who is supposed processes and the systems which will be used by the venture causing the partners to have contradictory expectations.

2.6.5 Organizational Governance and management.

Owomoyela (2014) highlighted that in the process of establishing an international joint venture both parties and companies are required to set across the main objectives and goals of the venture, to effectively achieve this there is need for the creation of an international joint venture board which is expected to set out objectives and communicate them effectively to the management. Blonigen et al. (2014) stressed that communication is essential in every business as it ensure that the entity's functions are properly working towards the accomplishment of the goals and objectives. However, launching a joint venture's Board and its governance arrangements are most probably going to be challenging because in the event of entering into an international joint venture joint venture each partner and the JV's own management team has different requirements, agendas, ideas and priorities. Concurrently being sensitivity to the interests of all members of the joint venture can result in delays, political difficulties and unresolved issues. Founding a new enterprise requires excellent leadership which has the capability to deliver the objectives of the stakeholders from all the companies which are involved in forming an alliance. Additional complexities which are associated with a joint venture means the absence of a clear allocation of roles and responsibilities, the joint venture will probably be working in an unclear manner which will result in the suffering of the joint venture and operating without clear goals. Fresard et al. (2013) discovered that poor communication between management and the subordinates arise following the joint ventures as the organization becomes big in size and control over communication channels becomes long and complex.

2.6.6 Employees' reactions

Resistance to change by employees is also one of the challenges which are being encountered in the implementation of international joint ventures. Xing (2014) stated that employees are the most important stakeholder in all the entities. He continued and explained that their morale, motivation and job satisfaction is essential in the successfulness of the entity. Employee morale has a direct influence on corporate performance especially in production firms. Chen (2014) affirmed that fear of losing jobs or being demoted following joint venture has a negative influence on the performance of the employee. Job security is an essential need of every employee and the fear of losing the job result in dissatisfaction

and demotivation. Amir et al. (2016) urges that employees should be involved in decision making in the process of a joint venture so as to ensure high morale levels.

2.7 Suggested solutions on the challenges faced by international joint ventures

2.7.1 Due diligence

Bamford (2014) enlightened that during the launch phase of an international joint venture, entities are involved in a number of powerful and effective actions, which include conducting strategic partner due diligence exercise, the partner should use misalignment scenario in planning to uncover frictions between them as partner and test solutions which could be taken, organizing scope and exclusivity provisions to outline not only where the joint venture will operate, but also when the right time to expand is and pre-agreeing on future joint venture business plan. Tillinghast (2015) outlined that in launch phase planning beyond the venture should be executed and a board of senior executive with internal information should be appointed. they should be competent enough to strategize meetings and dealing with conflicts.

2.7.2 Training programs

Training programs enrich employees with technical knowledge on how to implement computerized accounting system and the use of new technology brought about in the international joint venture. Owomoyela (2014) explains that training programs enhances employee competence thus enabling the organization to effortlessly subscribe to the technological innovations and fluctuations of customer taste and preference. The high technological machines which complicated requires an employee with skills and knowledge to fully utilize their functions. Al-Kassem (2014) noted that an influence of personnel competence on creating competitive advantages has an unswerving impact on corporate performance. Contrary to Owomoyela (2014), Mcgee (2015) noted that the crucial divers to a successful alliance include top leadership support, development of proper planning and good communication techniques.

2.7.3 Setting of principles at launch stage

According to Bamford (2014) entities take numeral steps to try and balance and promote the collaboration. these steps include outlining the responsibility of the parent and of the other party stating the venture costs. This process will avoid covering of on party's needs thus building principles at launch stage which will state what can be requested from the venture and what cannot. The process of appointing an internal or external independent Board of Directors to spell out an impartial decision

when reviewing the parent requests. Formally tracking and reporting to the Board on the nature, timing and cost incurred in a way of responding to parent desires for support will give the organisation direction and effective performance.

2.7.4 Culture education

Berry et al. (2010) explained that during the deal phase, the partners should inscribe legal agreements that are specifically required in the venture to adopt the strictest shareholder policies and processes for ethical conduct. Joint workshops should be held at the launch of the joint venture. This workshop will be aimed at identifying cultural differences and teaching employees on how to work together peacefully in harmony. The workshop should also outline on what is expected from each culture group and set ethical-conduct guidelines This process should be able to eliminate the disputes based on culture differences between partners

2.7.5 Team building

McKeon (2016) explained team building as a set of programs or activities that are meant to assure and guarantee employees that the entity cares about their future in the company, and they should have the feeling of involvement within the company by way of being involved in decision making. A better assembled and motivated team will promote objective congruency and contribute towards the achievement of company goals and success of a company. According to Ricklan (2016) international joint ventures come with elements of distrust amongst employees hence building one team helps employees to work towards the same objective and trust the operations and future of the company. Nitzberg (2016) concluded by advocating for a team charter explaining that will be a roadmap and it will help in defining the structure and resolution of a new team.

2.8 Factors which affect a joint venture

The coming together of different companies from different geographical locations to establish business in a country can be affected by the environment of the host country. Factors which include the political, economic, social, technological, ecological and legal play a vital role in the operation of an entity in a given country. The PESTEL analysis can be used by companies which have entered into a joint venture to overcome barriers of entry and also how some of the factors arise as barriers.

2.8.1 Macro-fundamentals factors

The macro fundamental environment is made up of laws, government agencies and pressure groups that have direct influence on organizations. These have the capability of limiting operations of various organizations. Wood (2010) explained that political instability and alterations in the leaders of the country can open up new political initiative which affect the performance and operations of an entity. By analyzing these factors and exploiting how they might affect the marketing plans currently and the future plans, an entity can easily evaluate the political situation of a country where there are planning on locating the international joint venture business. Janakiramanan and Lamba (2016) clarified that if there are changes in the political situation in a given country these could result in changes in the government priorities and expectations also, which in turn can consequently result in new initiatives being introduced as well as changes to taxations and trade regulations. Change in the political structure is most likely to bring changes on consumer protection laws, employment laws, environmental regulation, trade restriction, taxation regulations and reforms. All these changes can affect the operation of an international joint venture joint venture Miles (2013).

2.8.2 Economic Factors

How international joint venture are profitable and how they conduct business is directly affected by the underlying economic factors. According to Al-Kassem (2014) economic factors which are probably going affect the progress of an international joint venture include economic growth, exchange rates, interest rates and inflation rate. King and Taylor (2014) elucidated that when determining the future value of the business the economic factors should be taken into considerations. For an international joint venture, the key economic factors which are probably going to affect the operations on the formed entity include labour costs interest rates and taxes. The purchasing behavior of customer is interconnected globally thus recovery in one region affects the purchasing pattern in another explained (Wood, 2010).

2.8.3 Social-cultural factors

Based on the findings of Yang and Lee (2013) the most influential factors in the business environment is regarded as the social-cultural factors as they have a direct influence on the composition and size of an entity, its surrounding and the market in which it will operate. When engaging into an international joint venture business need to investigate the surroundings and the demographic details of the place it intends to settle. Intensive monitoring should be close at the trends such as the growth which can be achieved the size of targeted business environment or potential competitors as measured by number of

firms, workforce size, turnover, profitability and number of locations or outlets as these have direct influence on the operations of the international joint venture (Wood, 2010).

2.8.4 Technological Factors

“The technological environment is changing rapidly and is expected to continue. Marketers in an entity should be conscious of the subsequent trends in technology” said Kotler & Armstrong (2008). In the process of examining the technological factors it is important to understand potential threats and opportunities which are inherited by technology as innovations are spreading and evolving. The way in which technology is affecting customer and others competitors in the business environment should be considered when entering into an international joint venture and also how technology is affecting or is going to affect marketing environment. The company should also determine the in which technology has affected or the way in which it is affecting standards and regulations. The international joint venture board should research on how much key competitors and the industry are investing and willing to invest in research and development. The fast-growing levels of technology in the business sector is affecting pricing and costs, entity should also consider this before engaging into a joint venture Wood (2010). Fresard et al. (2013) explained that the acquisition of technical machines enhances the competitive power of an entity as it enables embracement of technology development thus the technological status of the country affects the progress and future of an internal joint venture.

2.8.5 Ecological Factors

Ecological factors are environmental factors which in most cases are imposed by Environmental Agencies to protect the environment. These factors include pollution regulations (water or air pollution) or ethical values. Pollution regulations ultimately affect production as some times the company will be polluting more to produce more. Ecological factors also involve the availability of important raw materials such as water, these have direct impact on the level of production and in most case these factors affect the achievement of the manufacturer’s objective thus when entering into an international joint venture the partner should take into consideration the underlying ecological factors. Wood (2010).

2.8.6 Legal Factors

Product purity, product labelling and product marketing is highly affected by legal factors which include government actions, regulations, legislations of the host country Wood (2010). The willingness of an entity to contract or form alliance globally is determined by the quality of regulatory and legal environment in the country which the companies are aiming to operate Georgieva et.al (2012). Laws regulations, culture and infrastructure of the countries of companies intending to amalgamate plays a

vital role in the willingness of companies to enter in a contractual agreement of such type. With the aim of avoiding latter problems in the venture. Legal factors bring about the issue of corruption where local bureaucracy is made transparent by corruption thus adding the cost of doing business Georgieva (2012).

2.9 The effectiveness of international joint ventures in enhancing performance

According to Rashid and Naeem, (2017) international joint ventures have been used by different entities as a strategic tool to increase profitability, increase revenue of the entity, reduce operational costs as much as they can, increase in market power and acquire highly technical machines to be used in the production sector so as to increase production.

2.9.1 Increase in profitability

According to findings by Abdul and Ojenike (2014) the profit after tax and assets of a firm improved after an international joint venture. Profit is the means of survival for most firms hence an increase in profits is most desired. In an analysis of Mergers in the Nigerian environment, Ahmed and Ahmed (2014) concluded that most firms in eastern counties like Pakistan have achieved desirable results in terms of profitability when they are involved in international joint ventures. However, Joash (2015) explained that after a merger or a joint venture profits are attained in the short and medium term while there is no guarantee that the company can make profits in the long run as the firm will be motivated by further growth and expansion.

2.9.2 The increase in revenue

According to Holstrom, Hilvert and Swindell (2013) after an international joint venture a lot of firms have increased their revenue and also have been enjoying the competitive advantage over other firms because of the ability to attract and retain customers. The new advanced technology brought by international joint venture enhances quality of goods and services which attracts new customers. Most customers prefer quality products as they provide real value of money of the products. Amir et al. (2016) outlined that the increase in revenue levels or customer base is a clear indication of competitive advantages created. In an empirical research on the Nigerian firms by Owomoyela (2014) discovered that joint ventures bring about several competitive advantages such as, improved customer care, marketing strategies, provision of quality products wide variety of products which attracts more customer.

2.9.3 The reduction in operating cost

Several strategies can be initiated by an organization to reduce cost following an international joint venture since the organization would have increased its size. Meka and Eyuche (2014) explained that most firms are incurring high operating cost and as a strategy to reduce and maintain cost levels they partake into international joint venture. Organizations which are regarded as big are able to create cost synergies which create competitive advantages King and Taylor (2014). Hilvert and Swindell (2013) stated that the ability to reduce operating cost enables a company to gazette lower prices as the company will be able to maintain profit margins. Lower prices create competitive advantages over entity's rivals.

2.9.4 Increase in Market power

Verma and Sharma (2014) defined market power as the ability which become possess by an entity from being large and in the same way influence the supplier prices thus controlling the buying price of the raw material from buying in bulk and also determining the selling price in the market as. When firms engage into joint ventures they tend to overcome competitors while increasing their sales performance and this enhances market dominance Anyamwu and Agwor (2015). Blonigen and Pierce (2015) also agreed that the market power of a firm is increased after joint ventures and merges. However, While Pettinger (2017) on the other side explained that although mergers lead to an increase in market power, the increase in market power from time to time lead to monopoly power and increase in prices which have a negative effect to customers' buying patterns.

2.10 Empirical studies on international joint ventures

Arnaud Leroi and Philip Leung (2017) under Bains and company carried out a research in the United States of America and outlined that business leaders globally have regarded international joint ventures as not particularly a successful measure and popular way for developing the operations of business or optimizing the costs of operating. On the contrary to above stipulations The Bain & Company (2017) researched and discovered surprising evidence. Increasingly, entities are diagnosing the value of captivating inorganic approaches or avoiding traditional approaches to complement their organic growth, the researches outlined that companies are relying or turning to international joint venture and local joint ventures. From the research done by Bain and company in 2017, international joint ventures have grown by 20% per annum from 1995 to 2015.

Leroi and Leung (2017) explained that the most important reason for the popularity of international joint ventures is that it is the most effective way in which certain markets can be accessed especially markets of fast-growing state like China, Brazil, Russia and India. Taking into consideration the study done by Bains and company in (2017) on CR Snow and SAB-Miller's. The international joint venture between CR Snow and SAB-Miller and the China Resources Beer company, permitted the London-based brewer to develop its business in China. This alliance made Snow Lager the world's most-selling beer company. Leroi and Leung (2017) explained that after 22 years of a fruitful international joint venture, SAB-Miller traded its stake to China Resources while preparing a merger with AB InBev.

In addition to the advantage of market access, international joint ventures are drivers used as a method to give entities needed flexibility in operation Lai et al. (2015). As an example, Leroi and Leung (2017) explained the scope deals, which comprise the Lion's share of international joint ventures, enable an organisation to speedily access new customers, new products, new markets or new operational channels. International joint ventures also can give an entity hasty access to critically necessary technology or capabilities. Meanwhile, Bains and company (2017) elucidated that engaging into an international joint venture enable scale deals as partner or venture counterparts combine business units, capabilities of creating economies of scale and assets. Deutsche Telekom and Orange joint venture of 2011 was most aimed at building up procurement synergies

Bains and company (2017) in industries such as the construction, international joint ventures have become an acceptable standard. The risk of large infrastructural projects is lessened when entities share capabilities Bain and company (2017). The research carried out by Leroi and Leung (2017) found out that an average return or 17% on investment is yielded by the most international joint venture. This return was likened by an industry average of 11%. The company carried out a global review of about 253 companies which used international joint ventures to enhance their grow and spur their product mix. From these researches 80% of the research group agreed the international joint venture deals exceeded or met the expectations of the company.

An international joint venture team must be established by companies with the aim of engaging into a joint venture. The teams are established so that they provide support proactively and supervise all venture operation as at the central levels or business unit. This team build integrated portfolios for the joint venture strategy and tailor international joint guidelines.

In agreement The Harvard business review (2016) outlined that in the past 5 years from 2011 over 5000 international joint venture and other different type of contractual alliances have been launched globally. The research by the Harvard Business review report (2016) delineated that over \$350 billion combined revenues annually were being made by 100 largest international joint venture. Worldwide entities engage into both contractual alliance which is collaboration without actually forming a company and equity alliance where resources are contributed in the formation of a new company with the aim of managing risk in markets which are uncertain, sharing of cost of capital invested and contributing entrepreneurial spirit into maturing business.

However, from the researches by the Harvard review team it is explained that it stays unclear to companies on the ways they can utilise to overcome the challenges which are inherited by engaging into an international joint venture. In 2009 the review team assessed the performance of about 49 international joint ventures and alliances in America and established that 51% of these companies were successful in the sense that parties had achieved returns which were higher than the cost of capital. The same studies were carried out in 2014, the team evaluated the results of above 2000 merger announcements, the rate of success still floated at 53%, regardless of the studies that have clarified the known reasons for international joint venture failure which include inequitable or unrealistic deals, wrong strategies, incompatible partners and weak management.

Recent researches by the Harvard business review (2016) from which the article was based, it is confirmed that the challenge of international joint venture continues. Why is JV success so elusive? Blonigen and Pierce (2016) explained that the failure of international joint venture is due to the issue that many companies overlook a critical piece of any international joint venture or alliance effort at the launch planning and execution. Verma and Sharma (2014) enlightened that even though most companies are highly disciplined on the subject of mixed acquisitions, less times they entrust adequate resources to the launching of correspondingly large alliances or international joint venture. If at launch stage there are mistakes the potential value of the joint venture is eroded. Owomeyela (2014) clarified that the launch phase in an international joint venture commences by the process of signing the memorandum of understanding, when the venture has started strategic conflicts might arise due to lack of attention between allied entities.

According to Miller, et al (2015) basing their research on the South African business environment, companies in developing countries are targeting foreign companies in the formation of international joint venture as this has become the means in which objectives are satisfied. International joint ventures

have proven that they are a significant way in which each partner is set to significantly benefit from the comparative advantage. In such alliance local companies in the joint venture are expected to contribute firstly by providing familiarity ideas about government laws and bureaucracies, domestic markets, regulations and the greater understanding of the markets. On the other hand, the external foreign partner is expected to offer management know how, access to external markets, advanced process and product technology. For both entities the process of joining together lowers the capital required for investments as it is shared between the two rather than venturing into a capital extensive project alone. However, research done by Killing (2012) shows that 36% of the joint ventures he studied performed unsatisfactorily.

On the contrary on the Australian business environment international joint ventures are on the rise and according to the researches done by PWC partner Mike Sum of 2012, most international joint ventures formed fail to achieve the objective of the parents and within a period of 2 years after formation they dissolve. "Why international joint ventures in Australia fail is because the cooperate in the business environment have not embraced them to make them a success" added Sum. Findings by Sum shows that 50-75% is the success rate of local joint ventures. Studies by the global PWC which include one of the Januarys 2012 showing that 43% of the Australian CEOs had planned to enter into international joint ventures by 2014 up from 40% in 2013 which is a sign that even though there is a rise on the percentage of planned joint ventures still entities from this country have not gained confidence in international joint ventures.

Sum (2012) outlined that international joint ventures have become common in the US markets where above 40% of international joint ventures have been established. Companies such as Coles capital and support Direct, Telstra and SNP security and Aurizon and Baosteel are examples of US companies which have discovered the advantage of engaging into international joint ventures. Mentioning the above Sum concluded that SMEs in these business environments have not yet considered engaging into joint ventures as a measure which they could use to grow their business.

Although the above-named companies have succeeded Gahan (2013) outlined a number of reasons why joint ventures fail in Australia and he included the clash of cultures within the merging partners and management. Researches have shown when entering into a joint venture companies aim at success in the future of the company but the problem emanates when the company fails to turn the dream and potential into reality explained Gahan (2013). The scholar continued and explained that most of the potential of the formed international joint ventures is weaknesses by the diverseness of companies which

are coming together from different cultures and background, in such cases it becomes difficult to find a way to work together without any clash of cultures and way of doing business. Gahan discouraged the partnering of SME and larger firms stating that between these two types of entities the risk for imbalance is large the relationship thus the future of the joint venture is jeopardized.

2.11 Gap analysis

International joint ventures behave differently in different economical, geological, cultural and technological areas, a number of studies have been done by different scholars and diverse conclusions have been draw. Above all the broad first conclusion which have been put forward is that international joint ventures behave differently from one place to another and differently from one entity to another. Empirical studies which were carried out by the Bain & Company (2017) Harvard business reviews (2016), Mckinsey (2014) and some scholars like Killing (2003) only to mention a few have outlined with the help of case studies and statistics the growth of international joint ventures over time in different regions. They have clearly explained how international joint ventures have been positively adopted by different companies and countries of different political and economic backgrounds. Through these researches the scholars have managed to outline the merits which are inherited by engaging in an IJV and these advantages of alliance differ with companies some companies may enjoy benefits which are not enjoyed by the other. Engaging into a joint venture and operating as a joint venture is a process and success is not always the case in every IJV. PwC partner Mike Sum (2012) of Australia, Bing et al (2005) and Adnan (2008) have studied the issue of international joint ventures from a different perspective and they have seen international joint ventures as not the idle ways of growing the business and improving your business. Engaging into international joint venture with an entity from different economic, political, cultural and technological have been regarded as a complex way of starting a business or expanding a business as this is regarded as risk by the scholars and the process is followed by a crow of drawbacks. Scholars which include Bing have even generated a number of risks which are inherited by engaging into a joint venture and these risks differ with countries and the nature of business which the company is engaged in. Up to date still different scholars are coming up with different conclusion on the impact of international joint ventures on the growth and performance in terms of profit and generally, it remains unclear on the initial impact of IJV on entity's profitability, employee satisfaction and security which have direct impact on production, cost management and revenue generation. The researcher aims at finding the relationship between

international joint ventures and performance of an entity which have poor economic, political and technological background (Steelforce Pvt Ltd).

2.12 Chapter Summary

The chapter outlined literature published by various scholars in relation to the effectiveness of international joint ventures in enhancing performance of an organization. The chapter focused on the areas such as the benefits and demerits of engaging into an IJV, challenges faced by IJV and possible solutions to these challenges, factors affecting the performance of an IJV, how institutional distance affect an IJV, the effects of international joint venture on performance and some empirical studies on IJVs.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is explained as the systematically integrated process of problem identification, data collection, the presentation of data and the analysis of the collected data so as to draw clear conclusions basing on the collected data. The author aims at highlighting what is entailing the empirical process of the whole project. This chapter explained the research method, target population, data collection method and data presentation of the research with regards to the effective ness of international joint ventures in enhancing performance of an entity.

3.1 Research design

Brumo et al (2014) explained that the research design is the early methods which the researcher used to collect data that is relevant and analyzing technics used. the design is further explained as the overall strategy that the researcher chooses to integrate distinct mechanisms of the study in a logical and coherent way which assures an effective address to the research problem. Information used in this thesis was collected from both primary and secondary sources.

3.2 Descriptive research

Burns and Grove (2003) explained that descriptive research is a design used by the researcher to provide an overview of the situation as it happens naturally. Descriptive research is used to develop theories, make judgments and overrally justify current practice by the researcher. This method is helpful as it adds more flesh to ideas that have been brought up with preceding researchers. It was more appropriate for the author to use descriptive research method because the method permits the researcher to include facts and findings on the effectiveness of international joint venture in enhancing performance.

3.3 Mixed research method

Wisdom et al (2013) explained the mixed approach as a research methodology used by the researcher to join together, integrate or amalgamate systematically qualitative data and quantitative data in a series of researches or in a single investigation. This research methodology's main aim is to permit a more comprehensive utilization of data in a synergistic way rather than separating qualitative and quantitative data in the collection phase Schutt

(2015). The process of mixing qualitative data and quantitative data helps the researcher to have a deep understanding of the research problem. The use of both methods eliminates the weakness of the other one method. Quantitative research is explained as a research methodology which uses mathematical, statistical, or numerical analysis to analyze the collected data, deriving it from questionnaire, polls or surveys or from readily available statistical data. Burn and grove described qualitative research methodology as an approach used by in the processes of describing life experiences and give meaning to underlying situations without the use of statistical data or mathematical information. Researcher utilized this approach (mixed approach) with the aim of exploring staff behavior, perspectives, experiences and feelings and stress the understanding of these fundamentals.

3.4 Target population

Target population in research methodology is explained as the total number of units or the total number of individuals from which data is intended to be collected Parahoo (1997). Burns and Groove (2003) and Creswell (2014) explained population as the sum of all the elements or the total number of individuals who are used in the research from which the sample group is going to be chosen. The employees and management of Steelforce Pvt Ltd were used as the targeted population to assist in data collection. This population target encompasses personnel from finance, production, procurement and operations departments as well the General manager of the company. The sample was constructed from a total population of 59 employees so as to facilitate data collection.

3.5 Sample

Sample or sample size is defined by Polit (2001) as a segment from the total population. These are individuals or respondents selected to represent the whole population by the researcher. The selected population is supposed to demonstrate the characteristics of the whole population on the study. The researcher used questionnaires and interviews to obtain qualitative data from the sample group. Stratified random sampling was used as a selecting technique in building up the sample group and it is illustrated below.

Table 3.1: population and sample size for Steelforce Pvt Ltd

Department	Population	Sample	Percentage %
General manager	1	1	100
Finance	9	7	78
Production	42	21	50
Marketing	4	4	100
Procurement	3	3	100
Total	59	36	61

The table above shows the total number of 36 respondents making up the sample group and they were selected from a population of 59 workers. The questionnaires were administered to all 36 participants. 10 of the participants from the sample group were selected for one on one interviews.

3.6 Sources of data

3.6.1 Primary sources

From primary sources, direct first-hand evidence and direct information about an event or object is found. The un availability of secondary data with regards to the research problem cause the researcher to collect data individually relevant data particular to the research problem. With the aim of obtaining reliable information about the effectiveness of international joint ventures in enhancing performance the author had to use questionnaires, interviews and observations.

3.6.1.1 Advantages of primary sources

- ❖ Collected data is regarded as a non-consistent to the research objective and questions to a particular project.
- ❖ People actually involved are asked thus making the collected data realistic and reliable.

3.6.2 Secondary sources

Secondary data is explained as historical data readily available collected by different scholars for different purposes. Rowley (2014) explained that secondary data is that information which was collected by a party not related to the study but collected this information for other purpose and at different events. (Grimsley, 2013) agreed and elaborated that in secondary data individuals who were not involved in the collection of the data analyze the data to obtain their

own understand of the obtained data. Secondary course helped the researcher to obtain the already available information with regards to how international joint ventures affect the performance of an entity. The researcher collected data from secondary sources which include financial reports, journals, the internet and schoolbooks written by different authors. Secondary data guided the researcher to find more evidence on the effectiveness of international joint ventures. Secondary data was also found to be beneficial in complimenting biases that could emanate from primary data sources.

3.6.2.1 Advantages of secondary source

- ❖ Data is obtainable cheaply and hastily. It is useful even in the absence of primary data
- ❖ the process of attaining data from secondary sources is economic (not costly) and it serves time and effort.
- ❖ It makes it possible to analyse historic events (empirical studies) making it easy to understand the issue at hand and under the problem
- ❖ and the data provides a basis for data comparison, that is, current against historical

3.7 Research instruments

According to Zohrabi (2013) research instruments refers to the various procedures which are designed to attain data with regards to the study from research subject or respondents. The researcher used questionnaires and interviews to obtain data used to draw conclusions on the objectives of the research.

3.7.1 Questionnaires

Creswell (2014) described questionnaires as a number of questions that have been prepared by the researcher to ask and collect answers from respondents relating to the research about given topic. The questionnaire for this study was designed in a way that it allows the researcher to gather as much information relating to the to the effectiveness of international joint venture in enhancing performance of Steelforce Pvt ltd. Questionnaires are an effective cheap way from which data can be collected from respondents as there is no need to pay them any money in most cases. The researcher gave out 36 questionnaires to the selected sample with regards to the study. There are several advantages associated with questionnaire which include the ability to refer in the future, questionnaires are cost effective, give respondents time to think, they are confidentiality, and they are time saving. The questionnaires used in this study by the

researcher contain both open and closed ended questions. The closed ended questions may ordinarily be answered by the use of the Likert scale. This type of questionnaire is relatively easy to answer as the questions already give the answer from which the respondents can just choose.

3.7.1.1 Likert scale

Likert scale is described as a scale which is psychometrical and is commonly used with questionnaires. It is used to measure attitudes and opinion. According to Sadie (2015) the scholar defined a Likert scale as a sequence of questions that are ask a respondent to select a rating on scale that start from one extreme to another such as agree to strongly agree. Below is a Likert scale which was used on the sample respondents at Steelforce.

Table 3.2: The Likert scale

Scale points	Rating
Strong Agree	5
Agree	4
Not sure	3
Do not agree	2
Strongly disagree	1

3.7.2 Interviews

Blair and Frederick, (2011) explained interviews as an interaction between 2 or more people in form of a conversation where one-part answer while the other answers. Narli (2010) added that interviews are face to face interactions of two of more individuals in the same geographical areas or connected by the screen in the technological environment. This means that the interviewee and interviewer will meet to continuously discuss on a particular subject. when necessary the researcher adjusted the language to suit a particular respondent. In case of an interview there is room for probing and clarifying certain issues under study. Interviews gave an in-depth investigation by using face-to-face interviews as it allowed clarification. Interviews allowed the respondent to express himself or herself freely and the interviewer could also benefit from non-verbal communication during the interview.

3.8 Data validity

Mohamed (2014) explained that data validity is responsible for confirming the instruments used for measuring and acquiring data were accurate. Mahoja (2017) added that data validity is regarded as the degree of theoretical rationales and empirical evidence support the attained test scores. Triangulations was used by the researcher to ensure that there is reliability in the source of data and collected data including research techniques. Saunder (2010) explained that triangulation is an effective method which uses different techniques to collected under one study and aims at making the data meaningful to the research. The researcher asked relevant questions about the study to ensure validity. The research used sample size of above 50% to try and gather reasonable valid data. The researcher checked the collected data after collection to ensure validity and accuracy. All the information in the study was consider valid

3.9 Data reliability

The process of evaluating and assessing of research instruments used in data collection is regarded as reliability explained Mcburney and White (2012). This process is meant to reduce the mistake in data collecting. Peterson (2012) described reliability as the measure of the extent in which data is considered error free. The reliability of questionnaires was achieved by giving same questions to all respondents with regards to departments. Mangur (2013) was of the view that for research results to be considered reliable they should be at least 50% of the population target. In this research the researcher used 60% of the population target. To increase reliability the researcher used uniform questionnaire and interview questions. The researcher used objectives and research questions to structure interview and questionnaire questions making the research more reliable.

3.10 Data presentation

The data presentation is described by Sulaiman et al. (2014) as a set of techniques used to present research findings in a chronological manner which is understandable by the audience. According to Peersman (2014) the use of graphs makes effective presentation of visually stimulating information. Pie charts, graphs and data tables were used in data presentation to entice the audience as well enhance understanding of the problem at hand.

3.11 Analysis of the collected data

Data analysis is an important aspect with regards to this thesis as it compares, describes, summaries and identifies the similarities and differences within variables. Sulaiman et al.

(2014) explained that the measure of central tendency is employed on the data that has been collected so that it can be presented. The researcher applied content analysis to this study as it gave the researcher room to utilize data from other literature related to this research as the starting point. More so, content analysis was incorporated in the study as it allowed the researcher to make inferences as well as to make a closer analysis to content of responses obtained through questionnaires and interviews as supported by (Myers, 2012). Descriptive statistics were utilised for the analysis of quantitative data by means of averages, mode and relative percentages. In addition, packages such as Microsoft Excel were also used by the researcher to organise and to make statistical inference of respondents' views. The use of simple linear regression through the use of STATA 11 was also implemented to deduce the relationship between international joint venture and performance ($y=a+bx$). Where **a** represent independent variable (international joint venture) and **x** represent the dependent variables (performance).

3.12 Summary

the research methodology used by the researcher in this study were discussed in this chapter. The chapter also explained in detail the population size of the case study and the size of the sample used, the researcher also discussed the design of the research, techniques used in collecting data and the tools used by the researcher to collect data. The next chapter shall concentrate on data analysis and presentation of the collected data on the issue of the effectiveness of international joint ventures in enhancing performance.

CHAPTER 4
DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter aims at presenting the collected data from the field research, which the researcher conducted at RSC-Steelforce (PVT) LTD Bulawayo. Primary data to be presented and analyzed was obtained through questionnaires, which were distributed to the selected sample and interviews, which were done to the selected individuals.

4.1 Questionnaire response rate

Response rate is explained as the ratio of distributed questionnaires and the number of questionnaires returned by the selected sample of target group. The researcher distributed 36 questionnaires to the sample group and all of the distributed questionnaires obtained from sample group answered and complete giving a responses rate of 100%. The table below illustrates the response rate of RSC-Steelforce (PVT) LTD.

Table 4.1: Questionnaire response rate

Department	Number of questionnaires distributed	Number of questionnaires returned	Response rate %
General manager	1	1	100
Finance	7	7	100
Production staff	21	21	100
Marketing	4	4	100
Procurement	3	3	100
Total	36	36	100

4.2 Questionnaire Presentation and Analysis

The research findings obtained through question from questionnaires are presented and analyzed below

4.2.1 Steelforce Pvt Ltd and RSC got into an International joint venture recently, would you agree that this alliance was a success?

Table 4.2: Responses on whether the alliance was a success or not a success.

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
respondents	4	10	1	0	0
Percentage %	27	66	7	0	0

The table above shows that 4 respondents out of 15 (27%) strongly agree that the international joint venture between Steelforce (Pvt) Ltd and Reinforced steel contractors was a success in improving the performance of Steelforce which was deteriorating in the recent history. The respondents highlighted that since the venture the entity has improved its operations and following the alliance continuous improvement in the entity are noticeable and there are smooth operations internally. The entity has also managed to embrace some technological innovations.

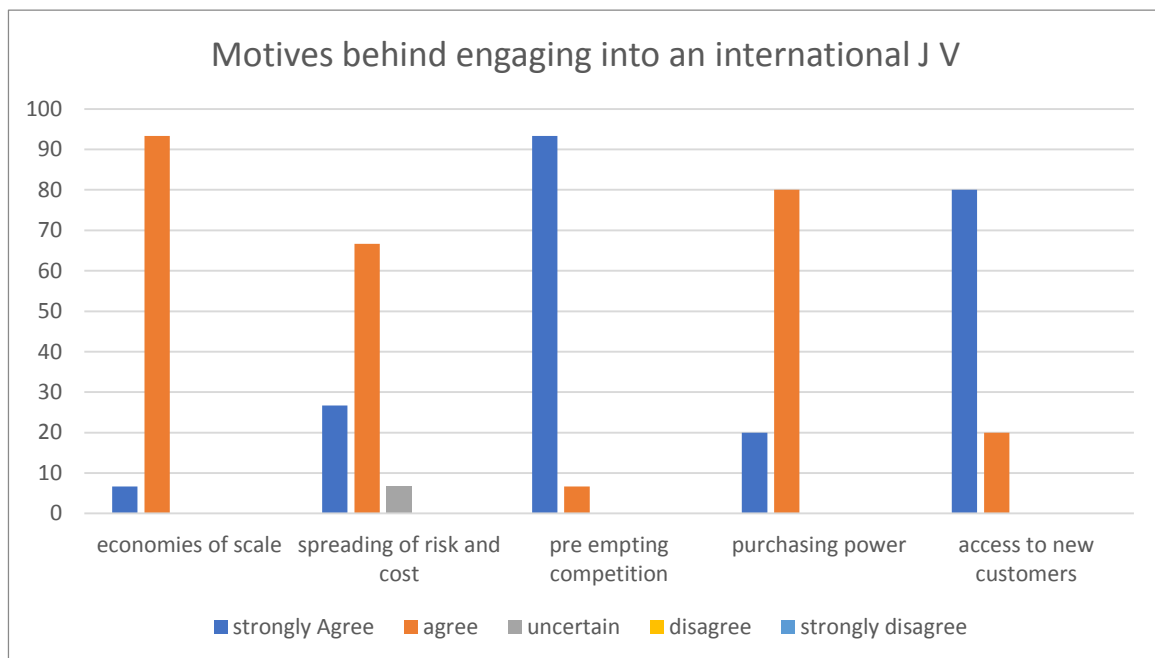
10 respondents out of the 15 questioned respondents making up 66% of the sample agreed that the venture was a success as the company's objectives are being met as anticipated however they don't strongly agree as they explained that the company has not fully achieved the objectives although there are significant improvements in the performance of the entity and there are challenges which include poor corporate governance, customer and employee reaction, lack of communication and lack of coordination within the operations, so by so doing they did not strongly agree on the success of the joint venture. In addition, the selected respondents who participated in the interview also agreed that the joint venture has been a success mentioning the achievement of the desired objectives and an improvement in the working environment

Of all the 15 respondents only one candidate (7%) was uncertain of the success of the international joint venture. The respondent alluded that an increase the level of sales or profit cannot guarantee the success of a joint venture the respondent explained that the entity has not

actually met the targeted profits thus a successful alliance should surpass the budgeted profits and even record favorable variance on the level of Sales, revenue, profits and the production not an improvement. From the selected sample group none of the respondents disagreed or strongly disagreed on the success of the international joint venture as the majority agreed. The research reached to a conclusion that the international joint venture was a success in improving the performance of Steelfoce (Pvt) LTD.

4.2.2 The following are motives behind engaging into international joint venture occurring within the manufacturing sector in Zimbabwe.

Fig 4.1: Motives behind engaging into an international joint venture



(i)Economies of scale

The question seeks to investigate if economies of scale is one the major motives behind the formation of RSC-Steelforce (PVT) LTD. Fig 4.1 points out that, 1 out of 15 (6.7%) respondents strongly agreed and 14 out of 15 (93.3%) agreed that economies of scale is the major motive behind the alliance. 0 out of 15 (0%) were uncertain and also none of all the respondents disagree or strongly disagree on the economies of scale being one of the major motives behind the international joint venture. In sum, 100% (6.7% strongly agreed and 93.3% agreed) agreed that economies of scale are the major motive behind mergers. Naba and Chen (2014) supported that the paramount objective of most international joint venture is to enjoy

economies of scale so as to create competitive power over rivals. The researcher reached at a conclusion using modal responses of 15 out of 15 (100%), that international joint ventures occur so that entities will be able to create economies of scale which have a direct influence on performance of an entity.

(ii) Spreading risk and costs

The Fig 4.1 points out that, strongly agreed 4 out of 15 (26.7%) and 10 out 15 (66.7%) agreed that the need to share or spread risks of operating or and cost is major motive behind engaging into international joint venture. 1 respondent out of 15 (6.6%) were uncertain on the issue of risk spreading and cost sharing. Positively of all the selected respondents none of them disagree or strongly disputed spreading of risk and costs as a motive which pushed steel force into engaging reinforced steel contractors. Rao and Ramamohan (2016) explained that when all the risks factors related to the company are identified it is vital to outline who will be responsible for which risk, in other words, defining risk allocation or risk sharing. Gomes (2014) also elucidated that in the formation of an international joint venture both companies agree thereby not being alone when bearing the costs of its failure. Because two companies had volunteered to share the expenses, you both will also support the losses. The researcher reached at a conclusion using modal responses of 14 out of 15 (93.4%) that RSC-Steel force engaged with the aim of sharing costs and spreading the risk between the two entities.

(iii) Pre-empting competition

Engaging into international joint ventures is an effective way of managing the supply chain as it enables the company to create competitive advantages. The full control over supply chain helps the entity to respond conveniently to the changes in customer preference as well competition within the industry explained Borghgraef (2014). The question aimed at investigating if Pre-empting competition was Steel force's one of the motives when it engaged RCS. Based on the questionnaire distributed 14 out of 15 respondents (93.3%) strongly agreed on this motive while 1 out of 15 (6.7%) agreed. From the selected sample group none of the respondents were uncertain or disagreed on the issue of preempting completion being one of the motives which pushed steel force to join forces with RSC. Reinforced steel contractors was one of the Steel force's competitors in the southern region, by engaging the company to form a joint venture this automatically eliminated RSC on the competition list. The researcher got to a conclusion using modal responses of 100% that pre-empting completion was one of the motives of engaging into an international joint venture.

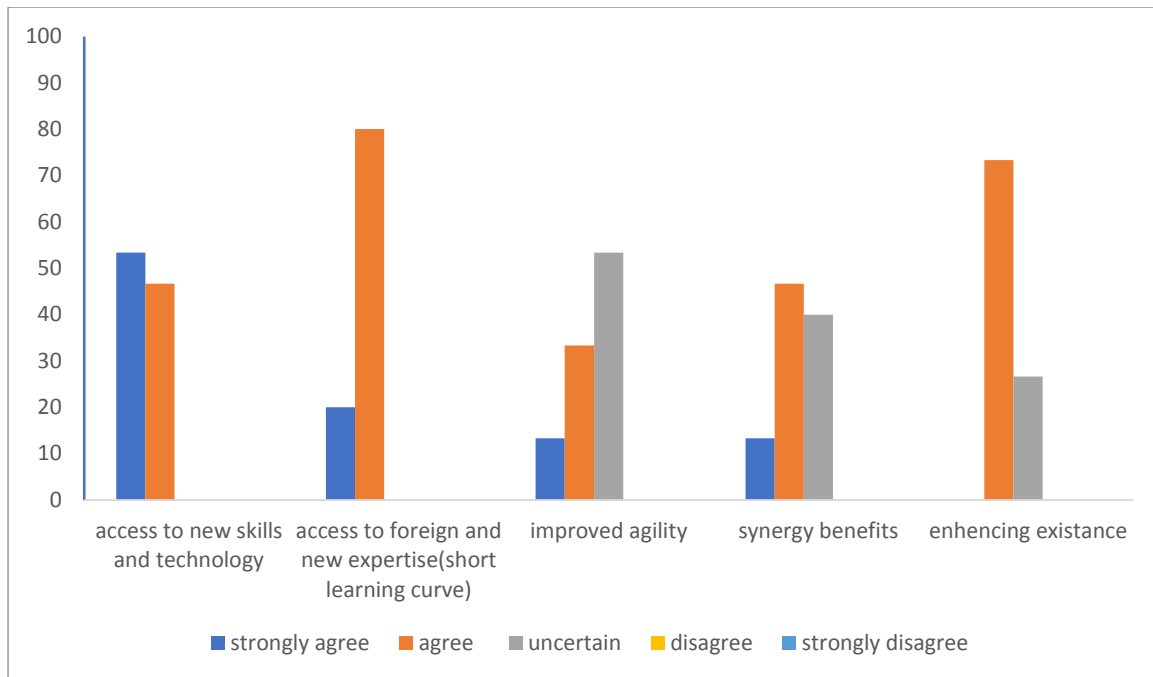
(iv) Purchasing power

The question seeks to investigate if gaining purchasing power is the major motive for the formation of a merger between Reinforced steel contractors and Steelforce (PVT)LTD. The Fig 4.1 points out that, 3 out of 15 (20%) respondents strongly agreed and 12 out of 15 (80%) agreed that gaining purchasing power is the major motive behind mergers. None of the respondents disagrees on this motive and also none were uncertain if gaining purchase power was one of the motives behind engaging into an international joint venture. The researcher reached at a conclusion using modal responses of all the 15 out of 15 respondents (100%), that international joint ventures occur so that entities will be able to gain purchasing power which has an influence in the performance of the entity. Agreeing with these Ugwuanyi (2015) explained that after entering into an international joint venture, the entity will have the ability to buy goods and services in bulk which attract discounts. Xing (2014) supports and elaborated that much bigger firms are offered credit facilities by suppliers since in most cases they will be able to meet the obligations in time due to their capital intensity, hence discounts and promotions are attached to the credit facilities.

(v) Access to new customers

The question seeks to investigate whether engaging into an international joint venture by Steelforce was away of improving its customer base by accessing new customers. From the bar graph illustration above 80% of the respondents strongly agreed which was made up of 12 out of 15 respondents. Of the sample group 3 out of 15 respondents agree also that access to new customers was a major motive in engaging RSC making 20% of the selected sample size. Positively none (0%) of the selected sample group disagreed on access to new customers being a motive. These results caused the researcher to draw a conclusion based on the modal responses of 100% (12/15 strongly agree + 3/15 agree) that Steelforce engaged RSC so as to have access to new customers in South Africa or other markets from which RSC operated. Batten (2017) delineated that engaging into a joint venture with a foreign company will open up new customer lines in the foreign country.

Fig 4.2: Extension of the motives behind engaging into an international joint venture



(vi) Access to new skills and technology

fig 4.2 which illustrate the motives behind international joint ventures, mathematically explains the option on of RSC-Steelforce staff with regards to the issue of access to new skills and technology being a motive of engaging the South African company Reinforce steel Contractors. From the sample group of 15 respondents 8 of them (53.3%) strongly agreed to this motive explaining the difference in the level of technology for the two countries mentioning that RSC has access to new technology which would significantly improve the operations of steelforce. Agree with Doz and Hamel (2006) who explained that alliance is a way to bring together complementary skills and assets that neither company could easily develop on its own. 46.7% of the respondents which was made up of 7 out 15 of the sample group agreed to the issue of access to new skills and technology being a major motive mention already the introduction of SYSPRO. None of the respondents were uncertain or dis agreed on this motive. The researcher reached at a conclusion using modal responses of 15 out of 15 (8/15(53.3%) strongly agree and 7/15 (46.7%) agree) that international joint venture occur so that entities may have access to new skill and technology which have direct impact on the performance of an entity.

(vii) Access to new and foreign expertise

Fig 4.2 highlighted 20% (3 out of 15) strongly agreed and 80% (12 out of 15) agree that access to new and foreign expertise (short learning curve) is a motive behind engaging into an international joint venture. 0% were uncertain and also 0% disagreed or strongly disagree. The modal response of 100% (20% strongly agree and 80% agree) that access to new skills explaining that when engaging in a joint venture is a way to exploit the learning opportunities through the acquisition of knowledge from the merging partner agreeing to Tsang (2004) who explained that partnering with a business that has the specific domain expertise required for entering target markets can allow international joint venture associates to reduce the time it would take to develop the expertise otherwise. The researcher concluded that entities are involved into international joint venture so as to have access to new and foreign expertise.

(viii) Improved agility

From fig 4.2, 2 out of 15 respondents (13.3%) and 5 out of 15 (33.3%) agreed that international joint venture take place so as to improve agility of an entity. 8 out of 15 respondents (53.4%) were uncertain if Steelforce was certainly motivated by the fact that it wanted to improve its agility. None of the respondents disagreed or strongly disagree on the issue of engaging into a joint venture so as to improve the company agility. In aggregate, the modal responses of 46.6% (13.3% strongly agreed and 33.3% agreed) agreed that the need to improve agility is one of the motives of engaging into international joint venture. On the other hand, 53.4% of the selected sample were uncertain of this motive as one of those which led to Steelforce engaging RSC. The researcher remains uncertain if the issue of improving agility was one of the major motives behind engaging into an international joint venture.

(ix) Creation of cost synergies

The question seeks to investigate if creation of cost synergies is the major motive for the formation of RSC-Steelforce. Fig 4.2 points out that, 2 out of 15 (13.3%) strongly agreed and 7 out of 15 (46.7%) agreed that creation of cost synergies is the major motive behind mergers. 6 out of 15 (40%) were uncertain. However, 0 out of 15 (0%) disagreed and 0 out of 15 (0.0%) strongly disagreed. In sum, 60% (13.3% strongly agreed and 46.7% agreed) agreed that creation of cost synergies is the major motive behind joint venture. Joash (2015) supported that

the paramount objective of mergers is to reduce operating cost by combining operations which enables them to eliminate wastage and utilize idle resources. However, 40% were uncertain on this issue while none from the selected sample group disagreed that creation of cost synergies is most reason for international joint venture. In support, Aik et al. (2015) alludes that cost synergies can only be created when the two entities involved in an international joint venture are in the same line of business. The researcher reached at a conclusion using modal responses 9 out of 15 (60%) that international joint venture occurs so that entities will be able to create cost synergies which have a direct influence on performance.

(x) Enhancing existence

Fig 4.2 highlighted that none of the respondents strongly agreed on enhancing existence being a motive behind engaging into an international joint venture, while 73.3 % (11 out of 15 respondents) agreed on the issue. On the other hand, 26.7% (4 out of 15 respondents) of the respondents were uncertain if enhancing existence was a motive behind engaging into an international joint venture. Of all the selected respondents none of the sample group disagreed or strongly disagreed on enhancing existence being a motive engaging into an international joint venture. In aggregate, the modal responses of 73.3% (11 out of 15 respondents) agreed on the motive. However, 26.7 % were uncertain about enhancing existence being a motive behind engaging into an international joint venture. the researcher reached a conclusion that enhancing existence is one of the motives which motivated Steelforce to form an alliance with Reinforced steel contractors.

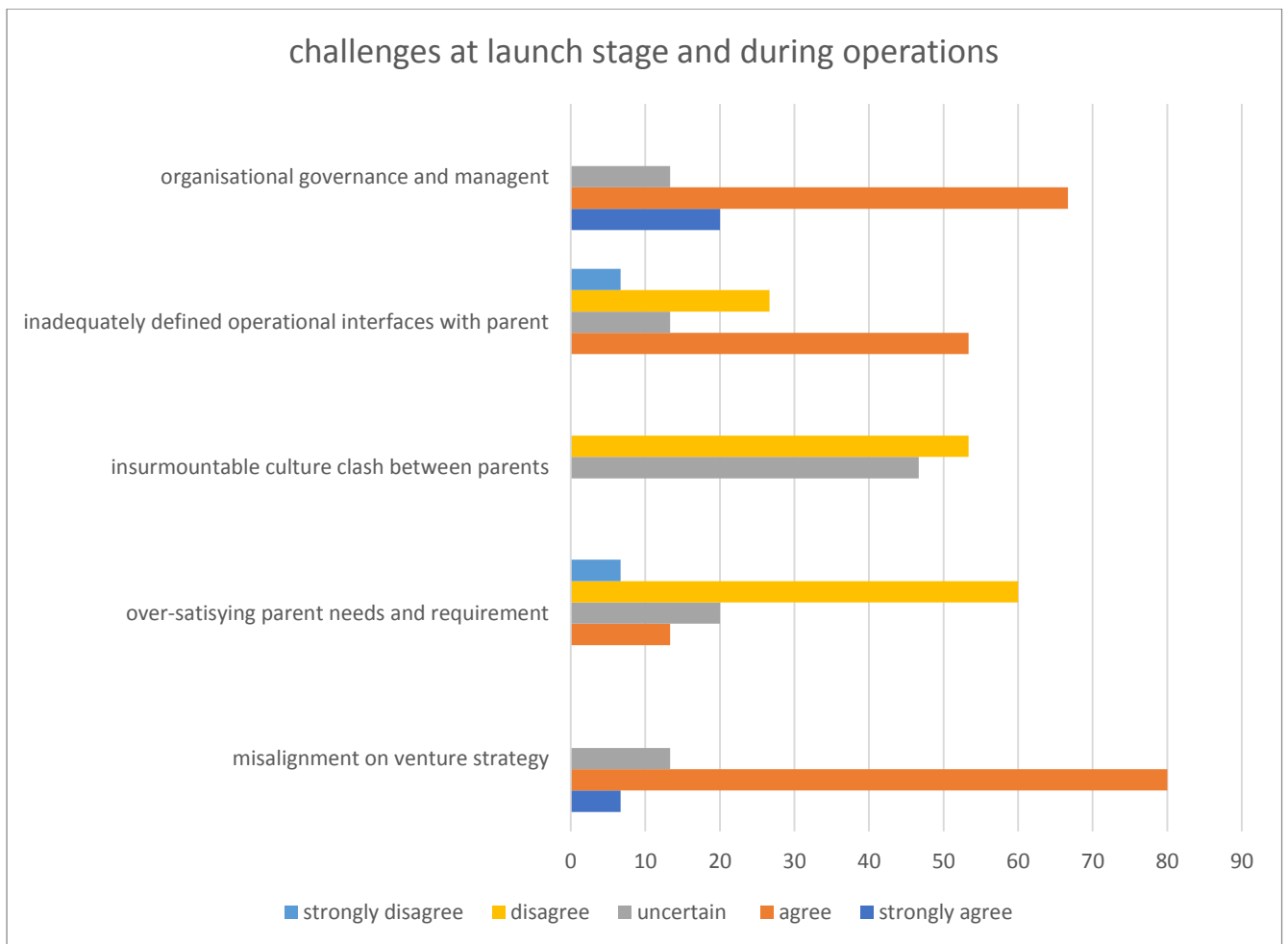
4.2.3 The following are possible challenges which Steelforce PVT LTD at the period of launching the joint venture and during operations as RSC-Steelforce.

Table 4.3: Raw data on the challenges faced by steelforce

	Strongly agree	agree	uncertain	Disagree	Strongly disagree	Total
Misalignment on venture strategy	1	12	2	0	0	15
Over-satisfying parent needs and requirements	0	2	3	9	1	15
Insurmountable culture clash between parents	0	0	7	8	0	15

Inadequately defined operational interfaces with the parents	0	8	2	4	1	15
Organizational Governance and management	3	10	2	0	0	15

Fig 4.3: Challenges faced by steelforce (Pvt)Ltd at the period of launching the joint venture and during operations.



(i) Misalignment on venture strategy

Table 4.4 outlines that 1 person (6.7 % as illustrated on fig 4.3) from the selected sample group strongly agreed on misalignment on venture strategy. 12 out of 15 (80%) agreed while on the

other hand 2 (13.3) respondents from the selected sample group were uncertain if misalignment on the venture strategy was one of the challenges which affected the operations of RSC-Steelforce. 0% of the sample group disagreed or strongly disagreed on this challenge.

In aggregate, the modal responses of 13 out of 15 respondents (86.7%) agree that misalignment on venture strategy was a challenge which RSC-Steel came across or is facing. Neutrally 2 respondents (13.3%) were uncertain on this challenge and none of the selected respondent disagreed. The researcher concluded that misalignment on the venture strategy falls under the challenges which are met during the launch stage of the international joint venture and during the operations agreeing with Blonigen and Pierce (2016) who explained that maintaining agreement on strategy is not easy when reasonable minds can disagree or when the shareholders are moving in separate directions.

(ii) Over satisfying parent needs and requirements

This question seeks to understand if the over-satisfying parent needs and requirements is one of the challenges which RSC-Steelforce is meeting. Fig 4.3 illustrated that 0% of the selected respondent s strongly disagreed that the needs of the parent company are excessively being over-satisfied, while 2 out 15 respondents (13.3%) agreed on the challenges. 20% (3 out of 15 respondents) were uncertain on this challenge. On the other hand, 9 out of 15 respondents (60%) disagreed on this challenge being faced at RSC-Steelforce, in agreement but strongly disagreeing was 1 respondent out of 15 (6.7%) selected sample group.

In aggregate, the modal responses of 66.7% (60% disagreed plus 6.7% strongly disagreed) disagreed that over satisfying the needs of the parents is one of the challenges, while 20% were uncertain. However, 13.3% (strongly agreed 0% and 13% agreed) agreed on over-satisfying of the parents need and requirement. The researcher concluded that at RSC-Steelforce over-satisfying the parent needs and requirement is not a challenge being faced at the moments or the recent history.

(iii) Insurmountable culture clash between parents

As illustrated in Fig 4.3 none of the respondents agreed or strongly agreed to the challenge of insurmountable culture clash between parents. 7 respondents out of 15(46.7%) were uncertain of this challenge being faced at RSC-Steelforce (PVT)LTD. From the selected sample group 8 out of 15 respondents (53.3%) disagreed on this challenge being faced at the entity. 0% of the sample group strongly disagree on the issue at hand.

In aggregate, the modal responses of 53.3% (8 out of 15 respondents+0%) disagree that insurmountable culture clash between parents is one of the challenges being current faced at RSC-Steelforce or which was met at launch stage of the international joint venture.46.7% of the selected respondents were uncertain of this challenge being met by the company. 0% of the group agreed or disagreed in the challenge.

The researcher reached the conclusion that Insurmountable culture clash between parents is not one of the challenges which is being faced at RSC-Steelforce thus disputing the conclusion which was drawn by Hroot (2016) stating that many ventures are doomed to failure due to the partners who are incapable of working together effectively which reflects the difficulty of bridging cross-border cultural differences to create a consistent and effective international joint venture.

(iv) Inadequately defined operational interfaces with the parents

Table 4.3 clearly outlines that 0 out of 15 respondents strongly agreed to the inadequately defined operations interfaces with parent being a challenge affect the operation of the company. 8 out 15 respondents making 53.3% of the sample group agreed to this challenge being available in the company challenge list. 2 out of 15 candidates were uncertain of this challenge being faced ta the entity. However, on the other hand 4 out of 15 respondents (46.7%) disagree with the 53.3% that this challenge if being face at the company. None from the sample group strongly disagrees to this challenge being faced at the company.

In aggregate, the modal responses of 53.3% (0% strongly agree and 53.3 % agree) agree that inadequately defined operational interfaces with the parents is definitely one of the challenges the company is facing currently. 46.7% (46.7% disagreed and 0% strongly disagreed) disagree on the challenge being faced at the company.

The researcher reached the conclusion that inadequately defined operational interfaces with the parents is one of the challenges agreeing with Verma and Sharma (2014) that joint venture legal agreements say little on the day-to-day structure of operations, and that space must be filled in by launching teams from the shareholders to outline how the operations of the business should be carried out. In most cases, this process fails to sharply explain which partner processes and systems the venture will utilize, causing each parent to bombard the venture with overlapping and sometimes contradictory expectations.

(v) Organizational Governance and management

The question seeks to investigate if the challenge of organizational governance and management is being faced at RSC-Steelforce (PVT) LTD. Fig 4.3 illustrates that 20% (3 out of 15) respondent strongly agreed to the challenge being faced at the company supportively 66.7% (10 out of 15 respondents) agreed of the challenge being met at the entity. 13.3% were uncertain of this challenge being one of the challenges being faced at the company. From the selected ample group none of the respondent disagreed or strongly disagreed that this challenge is being faced at the company.

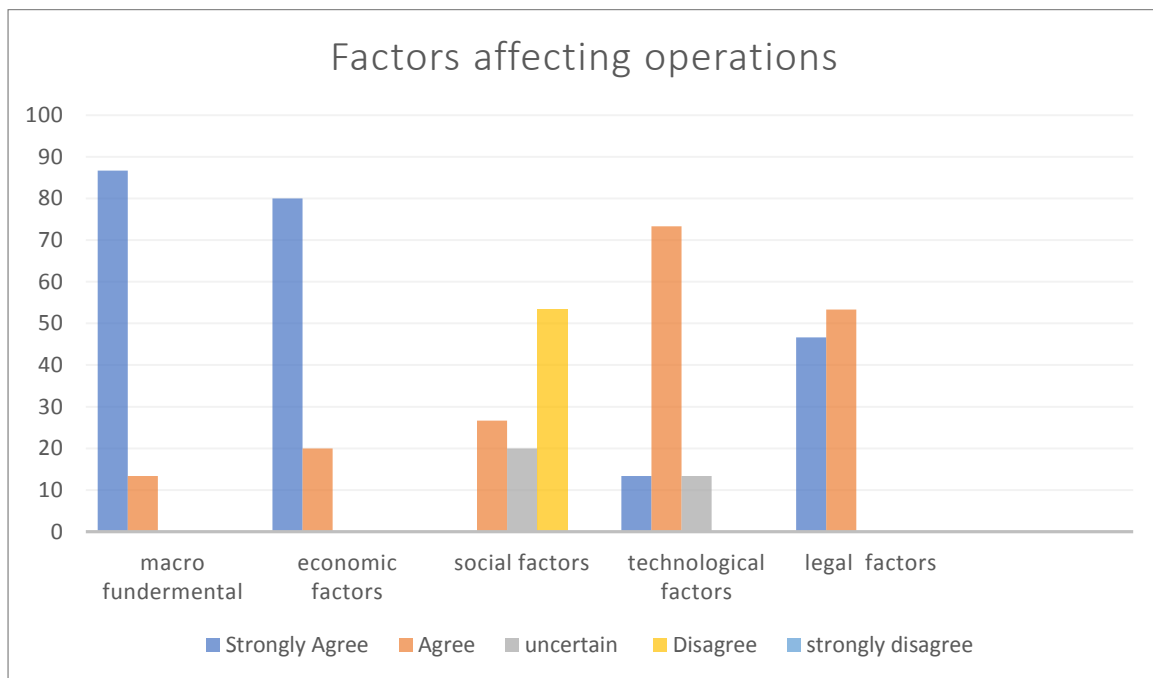
In aggregate, the modal responses of 86.7% (20% strongly agreed plus 66.7% agreed) agreed that organizational governance and management is one of the challenges being faced at RSC-Steelforce. 13.3% of the sample of the target group where uncertain of this challenge being face and 0% disagreed. The researcher concluded that the company has not set its governance and management strategies clearly thus facing the challenge of organizational governance and management.

4.2.4 What are the factors which affect the operations of RSC-Steelforce?

Table 4.4: Raw data on the factors affecting the operations of RSC-Steelforce

Factors	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Macro fundamental factors	13	2	0	0	0	15
Economic factors	12	3	0	0	0	15
Social factors	0	4	3	8	0	15
Technological factors	2	11	2	0	0	15
Ecological factors	1	13	1	0	0	15
Legal factors	7	8	0	0	0	15

Fig 4.4: Factors which affect the operations of RSC-Steelforce.



(i) Macro-fundamental factors

This question’s main objective was to investigate on the factors which affect the operations of an international joint venture thus overallly affecting the performance of the entity. Fig 4.4 shows one sided opinion with regards to macro fundamental as 86.7% (13 out of 15 respondents) strongly agreed that macro fundamental factors which include politics affect the day to day Runnings of the entity. In support are 2 respondents out of 15 making 13.3 % of the selected sample group agree that this factor affect operations.as illustrated in the graph none of the respondent were uncertain or disagreed on this factor affecting performance.

In aggregate, the modal responses of 100% (86.7% strongly agreed and 13.3%agreed) agreed on this factor affecting the performance of an international joint venture. By that the researcher reached a conclusion that the performance of an entity if strongly affected by the prevailing macro fundamental factors as an example political situation of the host country of countries which are directly linked to the operations of company.

(ii) Economic factors

Information on table 4.5 shows that 12 respondents (80%) out of the 15 selected strongly agreed on the fact that economic conditions affect the operations of an entity, while 3 out of 15 agreed

(20%) on the factor. From the selected group none (0%) of the respondents were uncertain of disagreed on this factor affecting the operations of the entity.

In aggregate, the modal responses of 100% (80% strongly plus 20% agreed) agreed to the economic aspect being a factor which affect the operations of an entity. None disagreed which caused the researcher to conclude agreeing to Al-Kassem (2014) who outlined that economic factors affect the progress of an international joint venture and in most cases, these include economic growth, interest rates, exchange rates and inflation rate. The performance of an entity in terms of sales, purchases, operational cost eventually profits are affected by the economic conditions from which the entity is operating.

(iii) Social factors

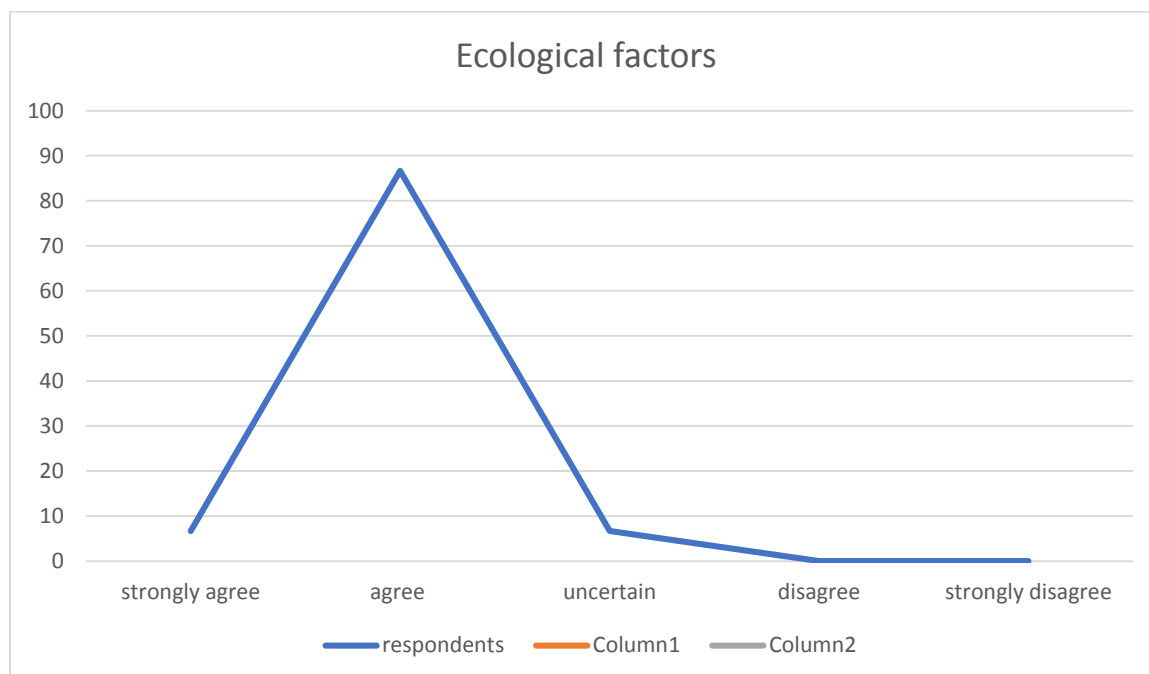
26.7 % (4 out of 15 respondents) on fig 4.4 agreed that social factors are one of the dynamic aspects which affect the operation of an entity. None of the respondent strongly agreed on this issue. 20 % (3 out of 15 respondents) were uncertain. 8 out of 15 respondents which make up 53.3% of the selected sample group disagreed and non-above strongly disagreed. In Aggregate, the modal response of 53.3 % (53.3 disagree plus 0% strongly disagree) disagreed to social factor affect performance of an entity. 26.7% on the other hand agreed on the matter while 20% were uncertain. Basing on the majority's opinion the researcher concluded that social factors do not affect the performance of a company.

(iv) Technological factors

Fig 4.4 above Show that 13.3% made up of 2 out of 15 respondents strongly agreed that technology affect the performance of an entity. The information also shows that 73.3% agreed on the aspect while 13.3% were uncertain if technology affect the operations of an entity and none of the selected respondents disagreed or strongly disagreed. Fresard (2013) explained that the rapidly changing technological environment affect the existence and relevance in the industry thus the entity should cope up which the improving technology so as to have competitive advantage. From that the researcher concluded that technology is one of the factors which affect the operations of an entity and Zimbabwe is technologically behind this is affecting the operations of the company as so important technology is not available in the country.

(v) Ecological factors

Fig 4.5: Ecological factors affecting an entity



The question was created with the aim of enquiring from the respondents if the ecological factors affect the operations of an international joint venture. Fig 4.6 shows a total of 93.3% (6.6% strongly agree and 86.6% agreed) respondents agreed to the fact that the performance of an entity affected by the ecological regulations from which it operates. However, one respondent making 6.7% of the sample size was uncertain and a 0% from the selected group disagreed or strongly disagreed. The 93.3% (14 out of 15 respondents) agreed with Wood (2010) who noted that the increasing scarcity of raw materials, pollution targets, the unavailability of water or minerals necessary for production affect the output or productions which have direct impact on sales and profits eventually. The researcher concluded that ecological factors affect the performance of an entity.

(vi) Legal factors

Table 4.5: Raw data: respondents on legal factors

Strongly agree	agree	Uncertain	disagree	Strongly disagree	Total

7	8	0	0	0	15
46.7%	53.3%	0	0	0	100

The question was purported to investigate from the RSC-Steelforce staff if legal factors affect the operations or if they are affecting the performance of the international joint venture. Table 4.6 explained that 46.7% (7 out of 15 respondents) strongly agreed and 8 out 15 making 53.3% of the selected sample group agreed building up a modal response of 100%. These respondents agreed to Wood, (2010) who explained that legal factors such as legislation, regulation and governmental actions can affect quantities produced, the product purity and, pricing, distribution and overall the profits of the company. It can be noted from the table that no respondent disagreed or were uncertain about legal factors affecting an entity.

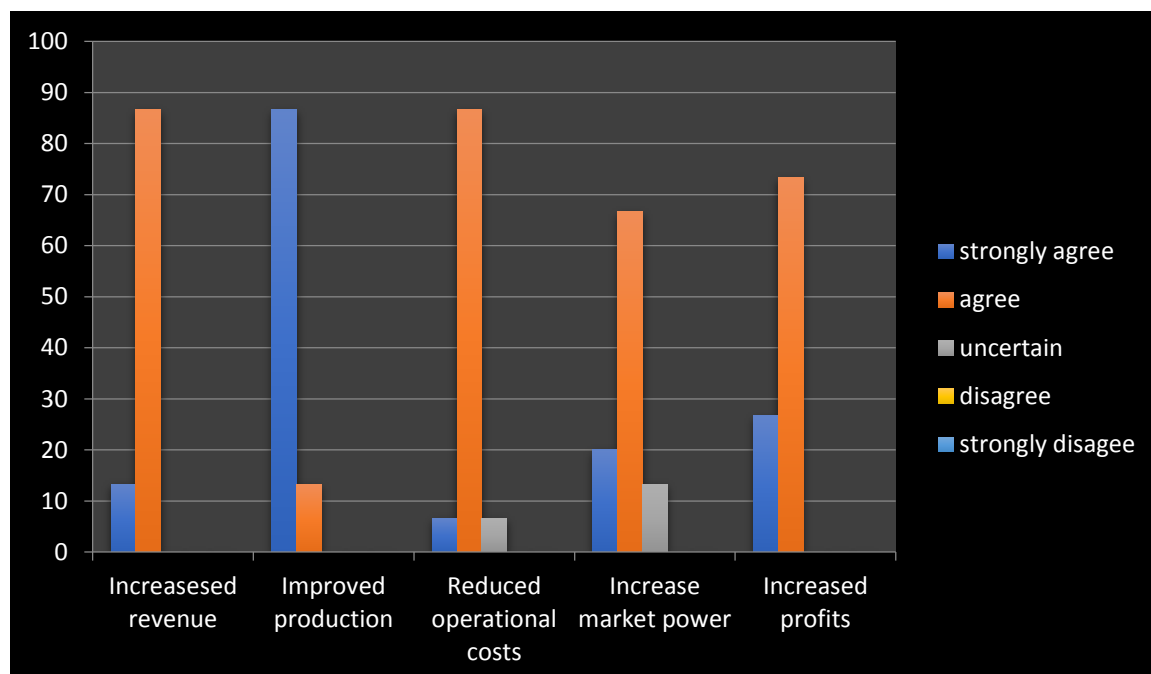
4.4.5 Shown are the effects of an effective international joint venture would you say RSC-Steelforce (Pvt) Ltd has gained the following after the merger.

Table 4.6: Raw data on the effects of an effective international joint venture

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
Increased Revenue	2	13	0	0	0	15
Improved production	13	2	0	0	0	15
Reduced operational costs	1	13	1	0	0	15
Increase market power	3	10	2	0	0	15
Increased profits	4	11	0	0	0	15

The question aimed at investigating the actual impact which international joint venture have on the performance of an entity. Performance is described as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The generated revenue has direct effect on the changes of profits and market share affecting market power of a company.

Fig 4.6: Effects of an effective international joint venture



(i) Increased revenue

Fig 4.11 above shows that from the selected respondents 13.3% (2 out of 15 respondents) strongly agreed that since the initiate by steelforce to engage RSC in an international joint venture the company has seen its collected revenue on the rise. 86.7 % made up of 13 respondents out of the selected 15 agreed that the entity revenue has increased. From the selected respondents on of them were uncertain and also none disagreed or strongly agreed. In aggregate 100% (13.3% strongly agreed plus 86.7% agreed) of the selected respondents agree on the change in terms of revenue agreeing to Holstrom, Hilvert and Swindell (2013) who explained that after an international joint venture a lot of firms have increased their revenue and also have been enjoying the competitive advantage over other firms because of the ability to attract and retain customers. In the interview respondents pointed out the increased in sales as he company has broaden its markets thus increasing the revenue which the company collects. Agreeing to the scholar the researcher concluded that engaging in to an international joint venture has a positive impact on the revenue of an entity.

(ii) Improved production

86.7% (13 out of 15 respondents) of the selected respondents strongly agreed that production has escalated since the launch of the joint venture. 13.3% made up of 2 respondents agreed that the levels of production have increased significantly from the period which steelforce has made an alliance with RSC. From the selected respondents none of them were uncertain on the changes in production also none disagree or strongly disagreed on the changes in the quantities produced by the company. From the interview respondents all of them agreed that since the company have started working collectively with RSC, the quantities of materials being produced have increased as the demand has also increased seeing workers even working overtime so as to meet the need of the market. In aggregate, the modal responses of 100% (86.7% strongly agree and 13.3% agree) agreed that their initiative by Steelforce to engage RSC has significantly changed the levels of production positively. The introduction of new and advanced equipment as stipulated by the production staff has also helped the company increase the levels being produced and breakdowns have since the introduction reduced which previously affected the production of the company. The finding of the researcher outlines that international joint ventures aid companies in improving its productions levels positively.

(iii) Reduced operational costs

The graph above outlines that 6.7% (1 out of 15 respondents) of the respondents strongly agreed while 86.7% agreed on the reduction of operating cost since the launch of the international joint venture. 1 respondent out of 15 selected candidates was uncertain if the joint venture has actually reduced the operational cost of the company. None of the selected respondents disagreed or strongly disagree that the costs have significantly changes in the recent history since the international joint venture. 2 of the interview respondents were also uncertain on the changes in the operational cost while 8 of the select 10 one on one interview respondents agree that the cost of the company have slightly decreased since the launch of the international joint venture. In aggregate, the modal responses of 93.4% (6.7 strongly agree and 86.7% agree) agreed that alliance is a way in which an entity can reduce its costs and risks as it is shared amongst counterparts. In agreement King and Taylor (2014) explicated that organizations which are regarded as big are able to create cost synergies which will reduce the operating cost of the company as much as they could which create competitive advantages of any entity. The researcher concluded that engaging into an international joint venture help steelforce minimize its costs.

(iv) Increased market power

As shown in Fig 4.11, 20% (3 out of 15 respondents) strongly agreed that RSC-Steelforce have increased its market power compared to Steelforce. 66.7% (10 out of 15 respondents) agreed while 13.3% (2 out of 15 respondents) were uncertain if the international joint venture have helped Steelforce to gain market power. None of the 15 selected respondents disagreed or strongly disagreed that the initiative aided steelforce to increase its market power. Of the selected interview respondents 7 of them agreed that steelforce have gained the market power while 3 were uncertain. Anyamwu and Agwor (2015) explained that when firms engage into international joint ventures they tend to overcome competitors while increasing their sales performance and this enhances market dominance. RSC-Steelforce have gained much of the market share and by so doing they have the capability to change or negotiate the prices of raw materials from the supply and also determine the price of the product being sold. In aggregate, the modal response of 86.7% (20% strongly agree and 66.7% agree) agreed that the international joint venture have increased the market power of the company and by that the researcher reached a conclusion that the market power of the company have increased since the launch of the joint venture.

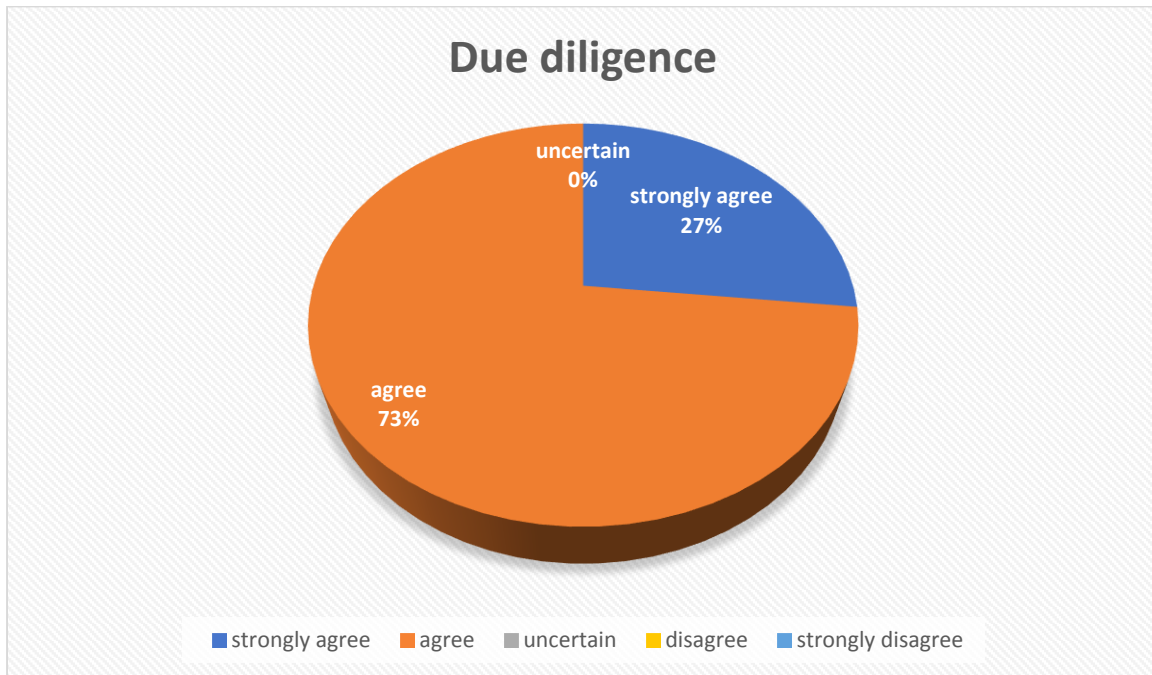
(v) Increased profitability

Of the selected 15 questionnaire respondents, 4 of them (26.7%) strongly agreed that there has been an increase in the profit of the company since the joint venture. 11 out of 15 respondents (73.3%) agreed that the profitability levels have significantly changed over the recent history since the international joint venture. In an interview also held with 10 selected participants all of them agreed that the profits of the company have increased since the launch of the IJV of the selected respondents none of them were uncertain and none disagreed or strongly disagreed on the change of profits of the company. Profitability is explained as the amount of revenue that is gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity. In aggregate, the modal response of 100% (26.7% strongly agree and 73.3% agree) agreed that the initiative by steelforce to engage RSC in an international joint venture have increased the profits of the company agreeing to the findings by Abdul and Ojenike (2014) which outlined the profit after tax and assets of a firm improved after an international joint venture and Joash (2015) who partially agreed explaining that after an international joint venture profits are attained in the short and medium term while there is no guarantee that the company can make profits in the long run as the firm will be motivated by further growth and

expansion. The researcher reached a conclusion that engaging into an international joint venture is an effective proven way in which a company improve its performance.

4.2.6 The following solutions can implement by RSC-Steelforce (Pvt) Ltd to ensure that the objectives of the international joint venture are met.

Fig 4.7: Respondents on due diligence



(i) Due diligence

The question seeks to investigate if the due diligence can be a measure which RSC-Steelforce can take so as to overcome the challenges which the company have encountered or is likely to encounter in the future. Fig 4.6 illustrate that 26.7% (4 out of 15 respondents) of the selected respondents strongly agreed to this solution. 73.3% (11 out of 15 respondents) agreed on the matter too. The modal response of 100% (26.7strongly agreed and 73.3 agreed) agreed to due diligence being a possible measure that can be taken by the entity so effectively achieve its objectives. these respondents agreed to Bamford (2014) who enlightened during the launch phase of an international joint venture, entities are involved in a number of powerful and effective actions, which include conducting strategic partner due diligence exercise, the partner should use misalignment scenario in planning to uncover frictions between them as partner and test solutions which could be taken, organizing scope and exclusivity provisions to outline not

only where the joint venture will operate, but also when the right time to expand is and pre-agreeing on future joint venture business plan. From the selected sample group none of the respondents were uncertain or disagreed to the process of exercising due diligence as a measure to overcome challenges. The researcher reached a conclusion that due diligence is a vital measure which can prevent disputes eruption in an international joint venture.

(ii) Training programs for employees

4.7: Raw data : responses on traing employee as a measure to overcome challenges in a joint venture and achiving the targeted objectives.

Strongly agree	agree	uncertain	disagree	Strongly disagree	Total
3	12	0	0	0	15

Fig 4.8: respondent on training programs

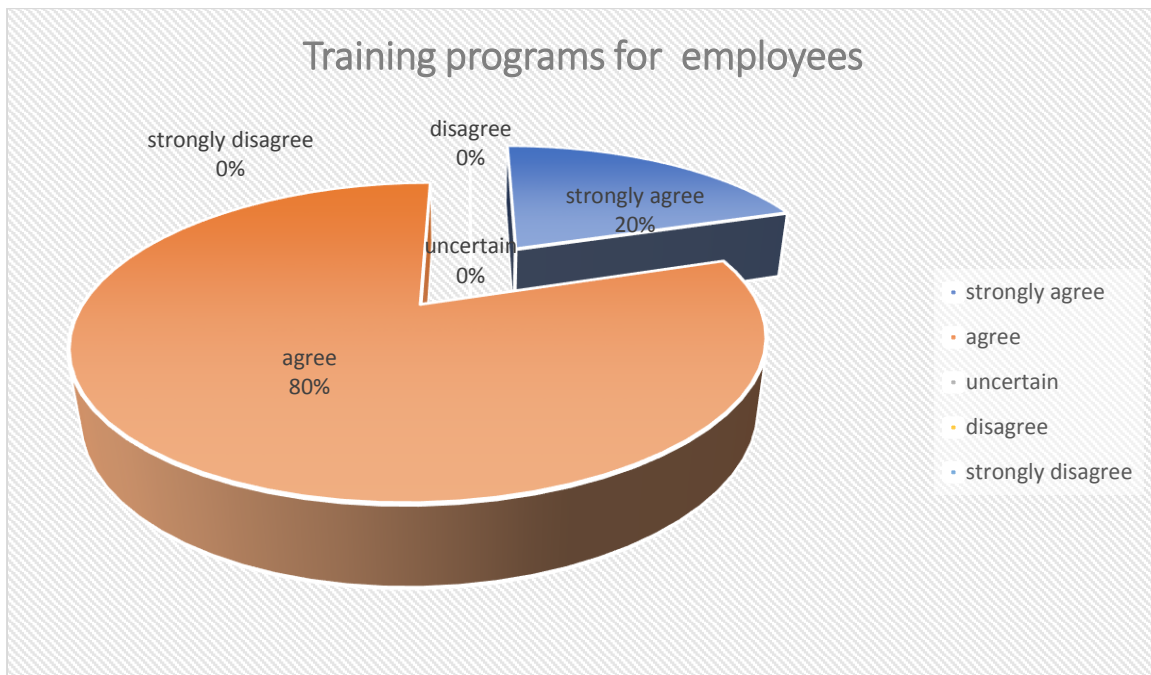


Fig 4.7 show that 20% (3 out of 15 respondents) strongly agreed training employees about international joint ventures is a good solution when it comes to the process of achieving targeted goals. 80% of the selected sample group made up of 12 respondents out of the selected 15 respondents agreed to this solution. As shown in fig 4.7 none of the selected respondents

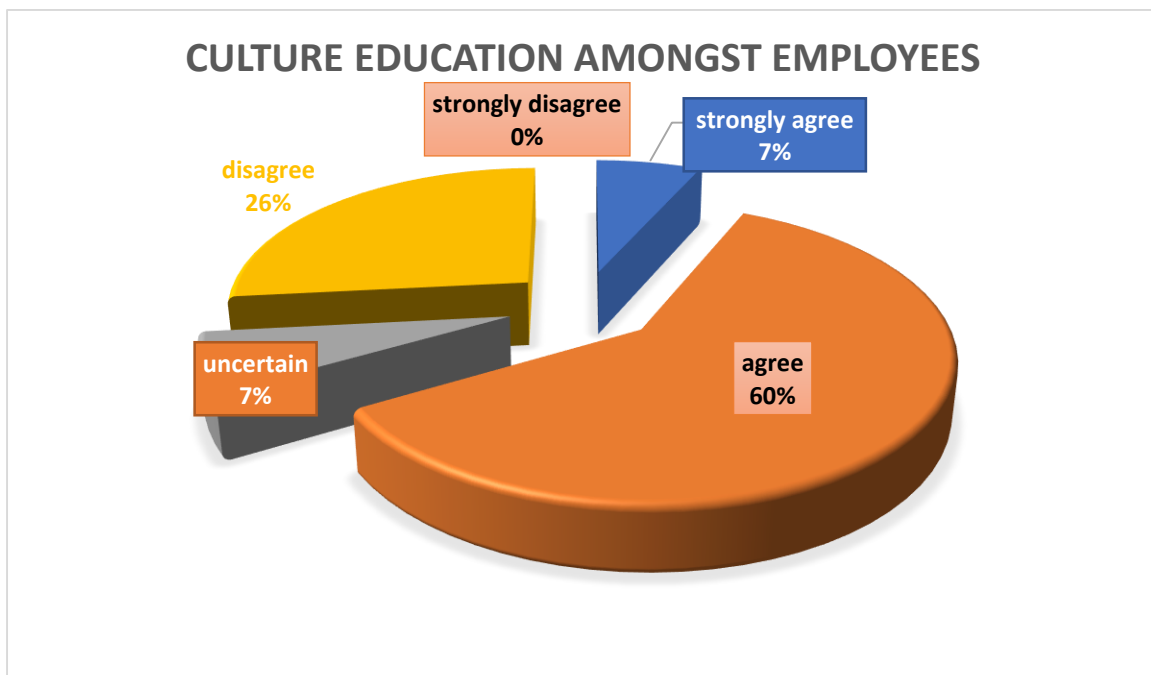
were uncertain or disagreed. In aggregate, the modal responses of 100% (20% strongly plus 80% agreed) agreed that the process of educating and training staff on duties on how to carry out duties is a solution which can be implemented by the company so as to improve employee morale and achieve targeted goals. In the interviews which were administered by the researcher the respondents also agreed and outlined that partaking in training programs help the employee to have the sense of belonging in the work environment which make an employee more responsible and productive. The researcher concluded agreeing to Owomoyela (2014) who alludes that training programs enhances employee competence which enables them easily grasp the technological innovations and changes in customer taste and preference.

(iii) Culture education among employees

4.8: Raw data on culture education as possible measure that can be taken to meet objectives.

Strongly agree	Agree	uncertain	disagree	Strongly disagree	Total
1	9	1	4	0	15

Fig 4.9: Responses on culture education



(iv) Culture education amongst employees

Fig 4.8 shows 6.7% (1 out of 15 respondents) of the selected sample strongly agreed that culture education amongst employee will aid the company to achieve its objectives. 60% (9 out of 15 respondents) agreed. 6.7% (1 out of 15 respondents) respondent were uncertain while 26.6% (4 out of 15 respondents) of the respondents disagreed and none of the respondents strongly disagreed. In aggregate, the modal of 67.7% (6.7% strongly agreed plus 60% agreed) agree that if an entity educate its employees on culture it will reduce disputes and improve understanding between staff from different culture background agreeing to Berry et al. (2010) who outlined that during launch, workshops should be held to identify cross-border cultural variances, and communicate what is expected from each partner with regards to the ethical-conduct guidelines. However, 26.6% respondents disagree and 6.7% were uncertain. From the selected employees who were involved in one on one interviews they explained variations in culture in the company and most of them were ignorant on culture education as they stipulated that culture difference disputes are something which will always be available amongst employees and educating employees will not have that much impact although it could help a few. The researcher concluded that workshops aimed at educating employees on the organizational culture and individual culture will help an entity to operate as one united firm thereby improving the performance of an entity.

(v) Research and development programs for the company

Table 4.9: Responses on research and development programs

Strongly agree	Agree	Uncertain	disagree	Strongly disagree	Total
4	11	0	0	0	15
26.7%	73.3%	0%	0%	0%	100

As illustrate in table 4.8, 100% (26.7% strongly agreed plus 73.3% agreed) of the selected sample group agreed that research and development programs while none of the group disagree or was uncertain. The respondent agreed and explained through the interview that researches will results in the development of new products for the changing consumer tastes and

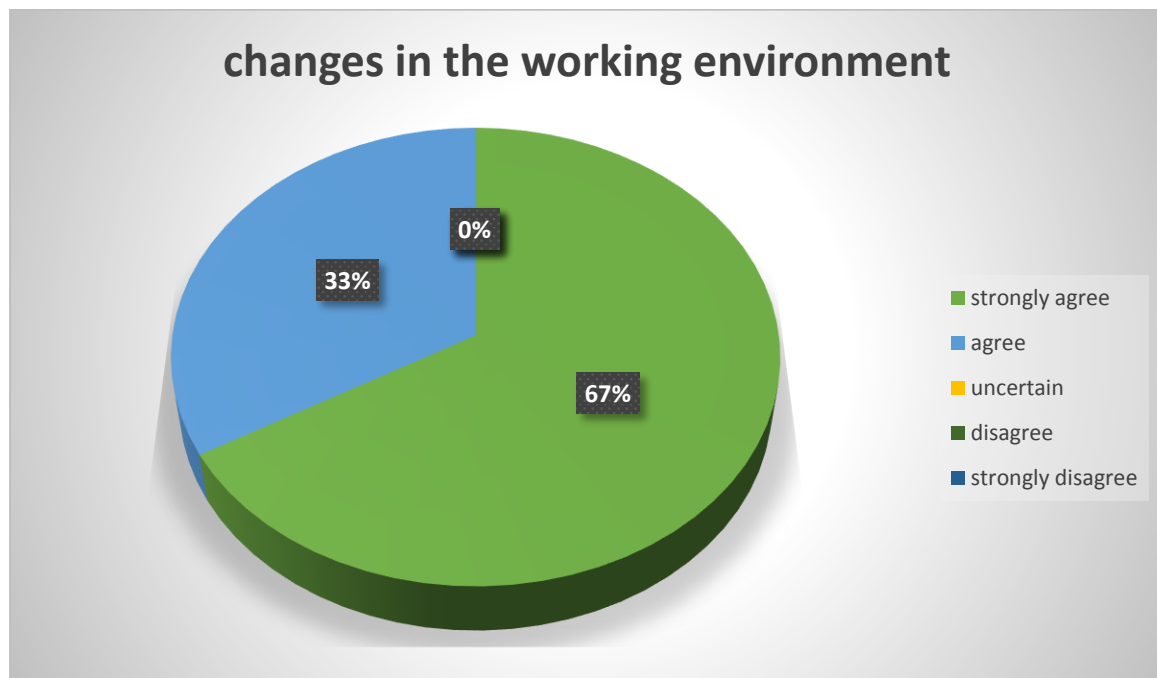
preferences. The researcher concluded and agreed to Owomoyela (2014) who highlighted that research and development programs improves provision of good quality products thus increase the potential revenue for the firm and eventually improving the performance of the company.

Questionnaires distributed to the production staff

21 questionnaires were distributed to the production staff to acquires firsthand information of the significant changes which occurred in the production floors in terms of introduction of new machinery, changes in the quantity produced and any alteration of duties carried out by the staff. There was a 100% response rate as all the distributed questionnaires were returned complete.

4.2.7 Since the introduction of the international joint venture there has been significant changes in the working environment or introduction of any new equipment in the working floors.

Fig 4.10: Respondents on the changes in the working environment for Steelforce.



The question was aimed at investigating if there are any changes which occurred in the working environment at RSC-Steelforce since the alliance. From the research which was carried out 14 out of the 21 selected respondents (66.7%) from the production staff strongly agreed that new machinery has been installed since the alliance. 7 out of 21 respondents making 33.3% of the

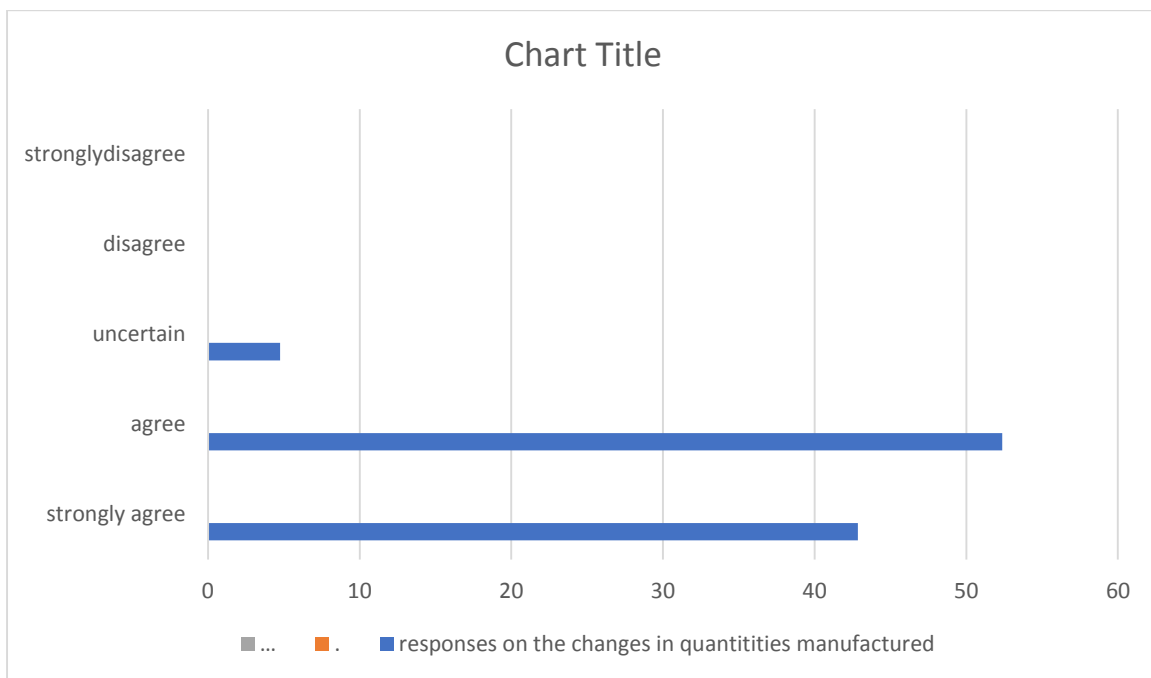
sample group agreed that there are changes in the production floors. None of the selected respondents disputed this fact and none also were uncertain about the changes which occurred. In aggregate the modal responses of 100% (66.7% strongly agreed and 33.3% agreed) agreed that since the introduction of the international joint venture there has been significant changes in the working environment or introduction of any new equipment in the working floors. The researcher concluded basing on the opinion of the production staff that engaging into an international joint venture improve the technology or the machinery of any entity.

4.2.8 After engaging RSC there has been changes in the quantity levels of product manufactured by the entity.

Table 4.10: raw data on the responses on changes in quantities manufactured.

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree	Total
9	11	1	0	0	21

Fig 4.11: Responses on the changes in the quantity produced.



The question aimed at investigating if the initiative by steelforce improved its production thus increasing the quantity being produced previously. Fig 4.11 shows that 9 out of the 21(42.9%) selected respondents strongly agreed that since the alliance there have been positive changes in the quantity produced. 52.4% (11 out of 21 respondents) of the respondents agreed while 1

respondent (4.8%) was uncertain on the changes in the production quantities. From the selected respondents none of them disagree or strongly disagree on the issue. The researcher concluded that the introduction of the international have led to the improvement or increase in the quantities in the levels produced. The acquisition of new advanced machinery introduced in the production floor and changes in the demand as the market has expanded have altered the quantities being produced by the entity.

4.2.9 Has the initiative by Steelforce to engage RSC affected you as an employee in the way you carry out your duties?

This question was directed to the production staff and general staff who were asked through interviews to investigate whether the initiative by steelforce to engage Reinforced steel contractors affected the employees on how they carry out their duties. Looking at the responses by the selected individuals the initiative has come with extended responsibilities. The alliance has resulted in the company acquiring new equipment and systems for invoice where invoice processed in Bulawayo should reflect in real time in South Africa which is an audit control aimed at curbing against embezzlement of funds or abuse of funds by the staff with access to funds. The system (Tax Registers) also calculates the value added tax in each transaction and determine the funds to be paid of ZIMRA as transactions occur. Some of the employee indicated that the introduction of SYSPRO (software which allows manufacturers to plan, execute, and control production) has altered the way the carry out their duties. The researcher analyzed the responses by then respondents in questionnaires and in interviews and found that the code job description for most employees has not changed rather what changed is the volume of work which have seen workers working overtime in most cases so as to reach the required stock level. Conclusively the initiative by Steelforce to engage Reinforced steel contractors have affected the duties of every employee as it came with more work and more responsibilities for each employee.

4.2.10 Assess the relationship between international joint venture and performance(profit) of an entity

The relationship of international joint venture and profitability was deduced using STATA 11. The main aim of the objective is to investigate the impact of engaging into an international joint venture on the performance of an entity. The researcher used profit attained by the entity as a measure of performance with regard s to the international joint venture. Question one and question five on the questionnaire with coded rating were utilized in STATA 11 to come up

with the relationship. Shown in a table below are STATA 11 results as deduced by the researcher.

Table 4.11: STATA results on the relationship between IJV and performance.

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. regress profitability internationaljointventuresuccess
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Source	SS	df	MS			
Model	2.30769231	1	2.30769231	Number of obs =	15	
Residual	13.6923077	13	1.05325444	F(1, 13) =	2.19	
Total	16	14	1.14285714	Prob > F =	0.1626	
				R-squared =	0.1442	
				Adj R-squared =	0.0784	
				Root MSE =	1.0263	

profitabil~y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
internatio~s	.5769231	.3897585	1.48	0.163	-.265099	1.418945
_cons	.5384615	1.683949	0.32	0.754	-3.09949	4.176413

Source: STATA 11

Results to STATA 11 shown above were used by the researchers to assess if engaging into an international joint venture has an impact on the performance of an entity. In this study the joint venture is treated as an independent variable while performance measured by the scholar using profits was treated as the dependent variables. Table 4.11 above indicates that the two aforementioned variables have a positive coefficient of variation. In a technical view, an involvement in an international joint venture will ultimately cause an improvement in profit by about 57.7% ($0.5769231 * 100\%$).

The results above were supported by the literature by Abdul and Ojenike (2014) which outlined the profit before tax of a firm improved after an international joint venture and Joash (2015) who partially agreed explaining that after an international joint venture profits are attained in the short and medium term while there is no guarantee that the company can make profits in the long run as the firm will be motivated by further growth and expansion. The researcher also used the secondary sources (financial statements) from the entity to further assess the impact of the international joint venture on the performance of an entity. The researcher used financial statements for the period of 2013 to 2017. The table below show the variations in revenue, costs and profits of the company prior the joint venture and after the international joint venture.

Table 4.13: Changes in profits, costs and revenue

Year	2013	2014	2015	2016	2017
Profits	336317.13	224095.17	172281.04	279791.38	385740.73
Costs	537245.33	612376.74	471691.49	372921.05	342731.71
Revenue	873562.46	836471.91	643972.53	652712.43	728472.44

Fig 4.12: Changes in profit, cost and revenue before and after the IJV

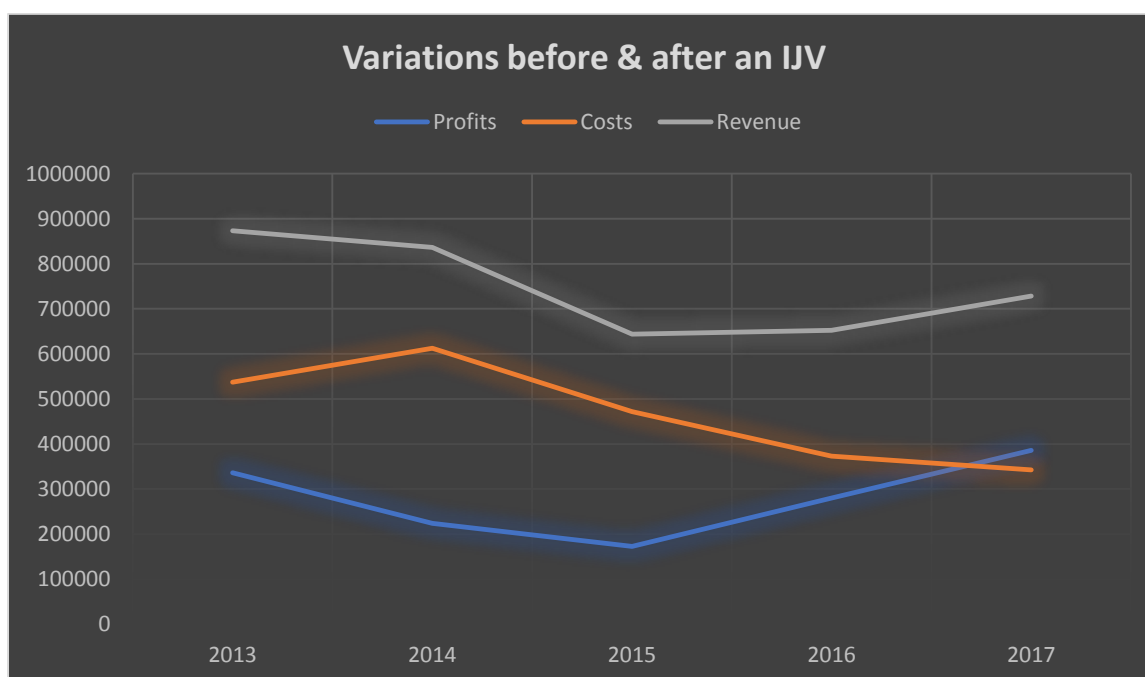


Fig 4.12 show the trend in the levels of profits, revenue collected and the operational cost of the entity from 2013 to 2017. As shown in the line graph from 2013-2014 the revenue collected by the was high ranging between \$880 000 and \$830 000. The levels of revenue collected significantly deteriorated in the period of 2015 just before the international joint venture. The company recoded high levels of cost from the period of 2013-2015 which caused the company to attain poor profits regardless of the escalating revenue collected by the company. From the period of 2016-2017 which was after the international joint venture the company saw its

revenue improving from the previous years and the level of costs decreasing from the period when steelforce engaged RSC. The increase in revenue collected and a decrease in the level of cost made the company to record improved figures of profits. the researcher concluded that engaging into an international joint venture if an effective way which an entity can improve its profitability.

4.4 Summary

Different research instruments were used by the researcher to present and analyze the collected data. Bar and line graphs, tables, and pie charts were used to present the data. Percentages and modes were used to analyze attained data. Related literature discussed in chapter 2 was used to draw conclusions of the research findings. The finding in this chapter were used by the researcher to generate recommendation. The preceding chapter will pay attention on the chapter summaries, major findings, conclusions and recommendation.

CHAPTER 5

SUMMARIES, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

Investigating the effectiveness of international joint ventures was the researcher's main objective. This chapter is made up of chapter of summaries, conclusion and recommendations which the researcher deduced from the research. the objectives of the study were used by the researcher to draw up conclusions basing on the findings made in the research. The case study and other entities are expected to aided by this research.

5.1 Summary of chapters

Investigating the effectiveness of international joint venture in enhancing the performance of an entity was the main purpose of this study. This chapter is made up of chapter summaries, conclusions and the recommendations which the research deduced from the research. The objectives of the study were used by the writer to draw up conclusions basing on the finding made in the research. The case study RSC-Steelforce and other entities are expected to be aided by this research.

5.1.1 Chapter 1

Chapter One covers the background of study on the effectiveness of international joint venture in enhancing performance of an entity making use of RSC-steelforce (Pvt) Ltd as a case study. The backbone of the study which is made up of the background of the study and the problem statement are the vital components contained in chapter 1. The objective of the study was made up from the research problem, the were used throughout the research. The research questions, limitations of the study, delimitations and the significance if the study were also explained in chapter 1.

5.1.2 Chapter 2

The second chapter is made up of the literature which relates to international joint ventures and mergers activities that happened globally. The literature shows the convergence and divergence of scholars' thoughts on international joint venture as strategy to enhance performance of an entity. Mainly the chapter was based on the objectives which the researcher had purported in chapter 1. The chapter outlined the opinion of different scholars on how international have helped entities to developed and grows basing on the empirical

studies on the international joint venture. The researcher made use of the work of Abdul and Ojenike (2014) Holstrom, Hilvert and Swindell (2013) who explain how international joint venture affect profit and revenue of an entity.

5.1.3 Chapter 3

On this chapter the researcher determined the research methodology which was applied by the researcher during the collection of data. The research methodology encircled the methods used to gather data from the participants, research population, sample size as well as explaining the reasons for selecting sample size. Interviews and questionnaires were the research instrument used by the researcher, justifying the reasons for selecting such research instruments. The researcher also explained the validity, reliability of data, data presentation design and analysis and lastly the summary of the chapter.

5.1.4 Chapter 4

The analysis and presentation of data was executed and illustrated in chapter Four. Pie charts, graphs and tables were used by the researcher to present and analyze the collected data from instruments like questionnaire and interviews used. general questions were analyzed using qualitative method. The establishment of the recommendations and guidelines were provided through the information analyzed in chapter four.

5.2 Major findings

5.2.1 Motives behind engaging into an international joint venture

The research findings by the researcher outlined that when an entity engages into an international joint venture there are objectives which an entity will be targeting to achieve from the alliance. Mostly when an entity gets into an international joint venture the main objective is to improve its profitability and reduce its operational cost as much as it can. To do so there is need to firstly increase its production and, in the process, improve it economies of scale so as to reduce operating costs. For an entity to increase its production there is need for intensify its Capex thus engaging into an international joint venture with an entity which is technologically advanced will improve the technology of the company and skills will be gained and eventually the production will improve due to the installment of the new equipment and technology.

5.2.2 Challenges faced in an IJV and the possible solutions

An alliance between two entities from different political, geographical, economic and cultural background is prone to challenges. However, challenges differ from entity to entity as some of the challenges which some scholars had written that they exist in international joint ventures do not exist in the case study used in this research. At the launch if organization clearly outlines the objectives of the venture and also outline how the running of the company will be held in terms of the management, share of profits or benefits and risks, execution of duties and how to deal with problems in case they arise in the merge then the challenges to be encountered will be limited and there will be solutions for each challenge.

5.2.3 Factors affecting operations of an international joint venture

The environment in which an entity if operating highly affect its performance. Turbulent economic environment affects the day to day running of the business as this could affect the inflation rate of the country which has direct impact on the profits of an entity. An entity in a technological remnant country is not exposed to positive improve thus holding back the progress of the company. Economic factors affect the progress of an international joint venture. In most cases, economic factors which include interest rates, economic growth, exchange rates and inflation rate have impact on how an entity executes its operations. Social factors are the most influential in the external environment which affect the size and composition of markets and segments related to the entity. When planning on social-cultural analysis, a business needs to investigate several demographic details to be able to build useful statistic. Levels of product are directly affected by the ecological factors as they regulate on how much should be produced which is ecologically friendly. Lastly Legal factors which include regulation, legislation and governmental actions can affect pricing, product purity and distribution which can sometimes be unfavorable to the company.

5.2.4 The relationship between international joint venture and performance.

The researcher found out that international joint ventures have direct positive impact on the performance of an entity as calculated by STATA 11. There is a positive relationship as engaging into an international joint venture improve the performance of an entity. During the year performance of an entity is measured through revenue being collected while at the end of the year were measure performance in terms of how much profit have been realized. Engaging into an international joint venture improve the technology of an entity as it will be exposed to

the technology of its alliance partner. Improvement in technology means introduction of new and technologically advanced equipment which increase production and the finished goods available for sale. Entering into an international joint venture means the customers of the counterparts also become yours thus increase the market share of an entity hence increasing the sales of the entity. Increase market share brings about market power and the size of the firm may aid the company to acquire raw materials in bulk the company is exposed to discounts which will reduce its costs and the process of cost and risk sharing come in also as they reduce the cost of the company all being done well the company profit is improved thus overallly improving the performance in terms of profit of the company. However, although international joint ventures have a positive impact on the performance of an entity it does operate in a vacuum its capabilities are limited by internal and external factors from which it operate which negatively affected the operations of the entity and decision making.

5.3 Conclusion

The main thrust for carrying out this research was to evaluate the effectiveness of international joint venture in enhancing performance of an entity. From the research findings gathered during data collection above, it can be concluded that engaging into an international joint venture is an effective strategy to increase an entity's profits, revenue collected, operating costs and market power. However, engaging into an international joint venture inherited challenges which include misalignment on the venture strategy, inadequately defined operational interface with the parent, organizational governance and management and, lack of communication and coordination amongst its departments.

5.4 Recommendations

To enhance performance and competitive power the entity should put into action programs and policies which facilitates skill and knowledge sharing. Management should implement effective inventory management policies such as Just in Time approach in order to easily control stock movements and cut down on costs arising from obsolescence of stocks. The creation of cost control committee will ensure proper management of organization's spending. The company should also develop other cost management systems which will aid the company in identifying, collecting collating and classifying information that can be used by managers in planning, controlling and keeping cost in the desirable limits these systems include cost budgeting, cost estimation and cost control. The company should not rely on retrenching

employees as cost cutting measure as this will affect the levels of productions and compromise employee job security thereby demotivating them.

5.6 Further study

Although the research is being regarded as a success, it was only limited to RSC-Steelforce thus other companies should be evaluated on how international joint venture have affected its performance and how institutional distance affect performance of an entity.

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APPENDIX 1

QUESTIONNAIRE FOR RSC-STEELFORCE (PVT) LTD: OFFICE STAFF

Dear Respondent

My name is Talent Mano and I am enrolled at the Midlands state university undertaking a Bachelor of Commerce Honours Degree in Accounting. As an academic requirement, I am carrying out a research on the effectiveness of international joint ventures in enhancing the performance of an entity. I am hereby interested in your genuine views regarding the questions that shall follow. Your responses will be treated with high level of confidentiality and will be used for academic purposes only.

Instructions to respondents

1. Do not write your name on the questionnaire
2. Tick in the relevant box for your response

Questions

1. Steelforce Pvt Ltd and RSC got into an international joint venture recently, and this alliance was a success in enhancing performance.

Strongly agree	agree	uncertain	Disagree	Strongly disagree

2. The following are motives behind engaging in international joint venture occurring within the manufacturing sector in Zimbabwe. What is your opinion considering the achievement of the following motive by the entity?

	Strongly agree	Agree	uncertain	Disagree	Strongly disagree
Economies of scale					
Enhancing existence					
Spreading of risks and costs					
Pre-empting competition					

Purchasing power					
Access to new skills, technologies					
Access to new customers and expanded revenue streams.					
Access to foreign and new expertise (Short learning curve)					
Improved agility					
Synergy benefits					

3. The following are challenges faced by Steelforce Pvt Ltd at the period of launching the joint venture and during operations.

	Strongly agree	agree	uncertain	disagree	Strongly disagree
Misalignment on venture strategy					
Over-satisfying parent needs and requirements					
Insurmountable culture clash between parents					
Inadequately defined operational interfaces with the parents					
Organizational Governance and management					

4. The operations of the RSC-Steelforce affected by the following factors

Factors	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Macro fundamental factors					
Economic factors					
Social factors					
Technological factors					
Ecological factors					
Legal factors					

5. The following show the effects of an effective international joint venture which aimed at enhancing performance of an entity.

Steelforce Pvt Ltd has improved the following performance indicators after its merge with RSC?

	Strongly agree	agree	uncertain	Disagree	Strongly disagree
Increased profitability					
improved production					
Reduced operation cost					
Increased revenue					
Increased market power					

6. The following strategies can be implemented by RSC-Steelforce Pvt Ltd to curb against challenges encountered in an international joint venture and also to ensure that the objectives of the international joint venture are met.

	Strong agree	agree	uncertain	disagree	Strongly disagree

Due diligence					
Training programs for employees.					
Culture education amongst employees.					
research and development program for the company.					

APPENDIX 2

QUESTIONNAIRE FOR RSC-STEELFORCE: PRODUCTION STAFF

Dear Respondent

My name is Talent Mano and I am enrolled at the Midlands state university undertaking a Bachelor of Commerce Honours Degree in Accounting. As an academic requirement, I am carrying out a research on the effectiveness of international joint ventures in enhancing the performance of an entity. I am hereby interested in your genuine views regarding the questions that shall follow. Your responses will be treated with high level of confidentiality and will be used for academic purposes only.

Instructions to respondents

1. Do not write your name on the questionnaire.
2. Tick in the relevant box for your response.
3. Where applicable give your opinion in blank space below.

Questions

1. Since the introduction of the international joint venture there has been significant changes in the working environment or the introduction of any new equipment in the working floors

Strongly agree	Agree	uncertain	disagree	Strongly disagree

2. After engaging RSC there has been changes in the quantity levels of the different products manufactured by the entity.

Strongly agree	Agree	Uncertain	Disagree	Strongly disagree

3. Has the initiative by Steelforce to engage RSC affected you as an employee in the way you carry out your duties?

Strongly agree	Agree	Uncertain	Disagree	Strongly agree

APPENDIX 3

INTERVIEW GUIDE

1. What are the motives behind engaging into international joint venture within the manufacturing sector of the country?
2. What are the factors which have affected the operations of an entity?
3. What are the challenges faced by the organization at the launch stage of the joint venture and during operations?
4. How effective are international joint venture in enhancing the performance of the company? (profits, revenue, costs and production)
5. Which strategies can be implemented to ensure accomplishment of international joint venture objectives?