IJV BOARD DIRECTOR ROLE: MYTHS AND REALITY

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Context and aims
- International Joint Ventures (IJVs): important means for companies to achieve their strategic goals in international business environment; however, a high record of failure of IUVs in terms of satisfying the strategic objectives of the partner companies - could be attributed to IUV "fragile" form of governance - shared sovereignty and incomplete contracting (Pearce, 1997; Johnson, 1996). Given the lack of research on role of individuals in IJV board effectiveness, this research is unique.
- Importance of IUV board directors for IUV success: the partners' control over IUV board directors more direct than that exercised by dispersed and anonymous shareholders because IUV partners are identifiable owners with a possible investment in strong corporate governance (CG) (Carver, 2000).
- Uniqueness and potential complexity of IUV board director role: IUV shared governance structure and the presence of two or more partner organisations of different national and organisational cultures and possibly divergent agendas about their IUV, require IUV board members maintain inter partner relationships and manage different partners' agendas in the overall interests of the venture (Barnard and Ernst, 2005).
- However, academic debate limited in its understanding of IUV director role and contribution to board effectiveness.

The research has sought to:
- To examine how IUV directors contribute to board effectiveness, utilising a role theoretical framework (Katz and Kahn, 1978; Fonds and Stewart, 1994).
- Identify behaviour of individual IUV board directors and factors that affect and are affected by the board director role.
- Propose a model that captures contribution to board effectiveness from an individual IUV board director's perspective.

Methods
- Qualitative exploratory case study (Eisenhardt, 1989).
- The case (unit of the analysis): an individual IUV board director.
- Study design: multiple case study - 13 cases/board directors from 3 Serbian foreign joint ventures based in Serbia.
- Method for data collection: multiple (i.e., interviews, research of documentation, informal observation) and thematic analysis of data for each individual case and comparing the emergent themes between all the cases in order to draw conclusions/propositions (Miles and Huberman, 1994).

References

Analysis and Discussion
Role and Contribution: Different Concepts?
- The findings show that an IUV board director's role and prime purpose are almost "rolled into one" and already determined: the participants view their role driven by board roles and IUV vision that are, in turn, set by the Law and the IUV partners; hence there is no discretion with regard to the role - the only discretion is in the way the director performs/achieves pre-determined tasks and goals.
- This is contrary to Anglo-Saxon CG research views board directors as having considerable role discretion as to what the role and prime purpose is (Huse, 2005; Roberts, et al., 2005).
- Given the mixed views on IUV board director role discretion identified in the CG literature (Shenkar and Zeira, 1992; Garrow et al., 2000; Gong et al., 2001; Li and Hambrick, 2005), this research may be unique in its understanding of different perspectives on role identified in the IUV literature.

- The findings confirm the importance of taking into account the impact of external context (e.g., country/CG system and company factors) on board director role, as advocated by the authors in the international CG literature (Denis and McConnell, 2005; Aguilera, 2005).

Importance of Context
- The findings show a strong impact of context on IUV board director behaviour: the very structured legal framework/statutory regulation of CG in Serbia and IUV context/the IUV partners' shared vision about the IUV provide a framework in which IUV board directors frame and negotiate roles in the IUV director's role and prime purpose are almost "rolled into one" and already determined: the participants view their role driven by board roles and IUV vision that are, in turn, set by the Law and the IUV partners; hence there is no discretion with regard to the role - the only discretion is in the way the director performs/achieves pre-determined tasks and goals.
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Integration of Role Theoretical Perspectives
- The findings show the importance of both an individual actor and the social structure in which they find themselves for IUV board director behaviour (role and contribution).
- The study incorporates both structural and interactionist/dynamic perspectives on role, in order to provide an integrated role analysis of a significant contribution to board role theory, where a "shared vision" is achieved as to what the role and prime purpose is (Huse, 2005; Roberts, et al., 2005).
- The findings confirm the importance of role theory with interactionist/dynamic perspective leads to the failure of the studies in the field to acknowledge the importance of contextual limits/structural constraints, and/or clarify which role theoretical perspective they take.

Implications and Impact

The study makes a number of contributions to theory and practice, including:
- Enhancing our understanding of IUV board director role;
- Positioning of the concepts of role, contribution, role discretion, role conflict and ambiguity;
- Confirming the importance of contextual limits in considering IUV board director behaviour;
- Providing a holistic model of role and contribution to board effectiveness that integrates different perspectives on role identified in the literature;
- Broadening of the scope of role theory beyond the "uni-national" company;
- Given the lack of research on role of individuals in IUVs, this research may be unique in its choice of the IUV board director as the focal person in the role behaviour analysis;
- Extending the study of board director role in the CG literature to a new area of interest - IUVs;
- Contribution to the studies of IUV boards which have been largely under-researched.
- Contributing to the practitioners’ better understanding of the issues and nuances associated with governing of IUVs;
- Providing knowledge of IUV board director behaviour within the Serbian CG system.

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