Relational governance of international joint ventures:  
The case of IJV established in Morocco  
Belkahir Ghizlane  
PhD Graduate in management sciences  
Moncef Btissam btissam.moncef@esce.fr  
Researcher Professor  
école supérieure de commerce extérieur  
Paris La Défense

Introduction:  
Progressive liberalization of trade international reflects the willingness of South Mediterranean countries to accelerate the integration into the global economy. This economic expansion imposes new constraints on North African businesses and, in fact, places them in a process of using partnerships to accelerate their own development. However, in most multinational joint ventures, management methods vary between the imported foreign practices partner and the local ones (Charles-Pauvers et Wang, 2003). Sometimes a hybrid business model evolves from this. In the case of IJV of the type North / South, many features (political, economic and cultural) that distinguish Western standards from local practices must be considered carefully. In a study with 21HR departments in North Africa, Frimousse and Peretti (2005) concluded that a successful integration would involve taking into consideration local particularities. Therefore, this paper constitutes an answer to an increased demand to take into account the local context in the development of the IJV. The case studies in this papaer were carried out in Morocco. Morocco's economy has been deeply influenced by external constraints factors that has not really provide the means for long-term development. These influences have turned the country toward the development of direct foreign investment. The reforms undertaken by Governmental Authorities have also resulted in attracting a large investment flow. According to a report by the United Nations Conference on Trade and Development (UNCTAD), Morocco has attracted a FDI of about $ 2.57 billion in 2007,

1 Author corresponding
occupying the fourth position among African countries receiving FDI. Assertive International Alliances are an important element for the development of the country. In this framework, Bamford et al. (2004) argue that one of the main challenges of the IJV parent is that of creating a governance system that allows them to manage and control the IJV jointly without complicating the process of decision making. Besides being realized by the definition of original terms of the relationship, the governance of the IJV is established according to a temporal dynamics through cycles organized around the creation of cognitive conflicts and their resolution through trust, communication, learning and culture of partnership. It is based on the central hypothesis that relational governance as a tool for managing IJV, can affect partner satisfaction. The aim of the research is double. The first is to understand how the international joint venture improves its performance through its governance process. The second is to propose a theoretical framework from the theory of governance, to apply to the IJV. To achieve these objectives, we will endeavor to answer the following research question: How interact the governance process "relational in the international joint venture? This general question is divided into several questions:
- What are the main phases of this process?
- What are the determinants of each phase?
- How these determinants support or do they affect the operation of the JVI?
- What impact on parents’s satisfaction?

This paper is organised as follows, section 1 presents the literatures of governance of the IJV. In section 2, we introduce the methodology and the empirical study about the 4 IJV analyzed. Section 3 is a cross-case analysis and discussion of research proposals.

Section 1: Governance of International Joint Ventures (IJV): Understanding the Challenges of Cooperation

1.1. IJV Governance from an inter-organizational perspective

1.1.1. Definition

The literature provides us with varying definitions of IJV governance in the inter-organizational context. Just as the objective of corporate governance is to define the power of managers, the aim of IJV governance is to create mechanisms to influence the decisions
of management teams and define the limits of their discretion. An issue specific to IJV governance is the collective definition of responsibilities and decisions.

IJV governance can be defined as the process that covers all the organizational mechanisms that can influence the decisions of the management team; in other words, the process that governs the team’s conduct and defines their common discretionary space. Thus, when discussing the distribution of power, the process of decision-making or general governance, most work on IJV (Johnson et al., 2002; Hambrick et al., 2001) refers to the entire management team rather than a single leader.

The purpose of IJV governance is the alignment of the interests of the parent companies, while that of corporate governance is the alignment of the interests of shareholders and managers. There is therefore a shift from the intra-organizational governance framework to an inter-organizational context. Thus, the purpose of governance within the IJV must be the mutual achievement of the goals of the parents. The importance of studying IJV governance as a process is justified in that the joint venture evolves over time (Yan and Gray, 1994; Makhija and Ganesh, 1997) and must be capable of managing conflicts that concern both the pursuit of common goals and management modes (Child and Yan, 2003), thereby reducing the time spent making decisions.

1.1.2. Theories on IJV governance

There are several possible ways to improve the explanatory power of theory in the governance of international joint ventures. The first is to bring together partnership and cognitive approaches.

Towards a broader governance – the value of partnership

The ability to satisfy a variety of criteria is a necessary aspect of financial strategy and should not be seen as simply an additional company strategy that shareholders inevitably perceive as a burden (Martinet and Reynaud, 2001, p.17 [author’s translation]). In fact, the maximization of shareholder wealth is often an insufficient criterion to guide leaders and managers in their activities: Financial criteria cannot be the only consideration when deciding upon the goals and nature of a company’s activities.
Long-term performance needs to be improved for both the IJV partners and the shareholders. Companies that achieve this tend to favor strategic and subjective criteria in assessing performance (Charreaux and Desbrières, 1998). In fact, economic and social performance can bolster each other, since the creation of shareholder value is related to company performance.

**Cognitive theory**

One of the main currents of cognitive theory is the resource-based view, which defines the company as a set of resources made up of the accumulation of knowledge guided by the leaders’ vision, which arises from their accumulated experience (Charreaux, 2002b, p. 28 [author’s translation]). Corporate governance becomes a system that helps the leader detect opportunities for growth, while at the same time setting limits on his or her actions (Charreaux, 2002b).

Cognitive theories of governance consider the issue of governance to go beyond a simple disciplinary dimension that aims to align stakeholder interests. The challenge lies in the process of creating value. The governance system involves the intersection of trade and the construction of knowledge and should thus facilitate coordination and reduce the costs of cognitive conflicts, which differ from conflicts of interest (Guery-Stévenot, 2006).

The interaction of different bases of interpretation can lead to conflict that can have positive or negative consequences. Cognitive conflicts are defined as "disagreements over the content of tasks, including differences in viewpoints, ideas and opinions" (Jehn, 1995, p.258). These conflicts are likely to develop when a group must make complex decisions (Forbes and Milliken, 1999) and can have positive consequences when they result in the consideration of more alternatives, leading to better strategic decision-making. The absence of cognitive conflicts may in fact be associated with a lower capacity for innovation.

1.2. The mechanisms of relational governance

There are specific mechanisms involved in the development and maintenance of the relationship among the IJV partners. These mechanisms will be analyzed separately while their interactions are examined.

1.2.1. TRUST AS THE CORE OF THE IJV RELATIONSHIP
According to Nooteboom et al. (1997), a form of limited trust is an instrument of governance in that it contributes to reducing relational risk in alliances. However, this trust cannot be instituted immediately but must be built and reinforced with the development of standards and shared values. Only when this happens can trust be an instrument of governance. In fact, cooperation cannot be implemented effectively without mutual trust. In the literature this trust generally takes two forms: trust that a partner's behavior will remain in line with expectations, on one hand, and goodwill among the partners on the other (Ring and Van De Ven, 1992; Hosmer, 1995; Hart and Saunders, 1997).

Moreover, Rousseau et al. (1998) highlight that trust changes over time, develops and builds, and can disappear and reappear in relationships. Several variables can interact to create, maintain and reduce trust.

Trust is indeed an important factor in moving from a transactional dimension to the relational dimension (Gummesson, 1999). Consequently, it helps reduce the perception of uncertainty in the relationship, improves efficiency in resource use and makes the relationship more valued (Sarkar et al., 1998). Trust has been identified as a major catalyst for the constructive and cooperative resolution of problems (Zand, 1972), clarification of objectives and goals in completing an agreement (Morgan and Hunt, 1994), reduction of transaction costs (Zaheer and Venkatraman, 1995) and improvement in cooperative behavior (Bentaleb, 2005). To summarize, trust is at the heart of joint venture risk management and is the central variable in successful management.

In the same vein, other theoretical and empirical studies show the central role of trust in the success of cooperative relationships. Trust provides

- reductions in agency and transaction costs and better adaptation through reducing the risk of opportunistic behavior (Parkhe, 1993). Especially for the supplier-buyer, Dyer and Chu (2003) conclude that a high level of confidence has more impact on reducing transaction costs later (implementation and control) than do the previous costs of the relationship (such as contracts).

- additional strength in the internal consistency of collective action (Dyer and Singh, 1998) by promoting increased information sharing. The chances of a successful partnership can thereby greatly increase (Dyer and Chu, 2003).

- flexibility and responsiveness by increasing confidence that any conflicts in the relationship can be solved simply through mutual adjustment rather than contracts (Mohr and Spekman, 1994).
However, other results suggest that trust only improves a relationship when the potential for opportunistic behaviour is limited.

1.2.2. The Role of Communication in Inter-Firm Cooperation

The increased need for information and communication requires that not only relations among firms but also information channels be carefully managed within the IJV. Thus, the role of communication is to promote cooperation, manage cognitive conflicts, cultivate a spirit of partnership and build confidence between the management teams. In the case of an IJV, collaborative work often continues throughout the joint venture as communication between the partners occurs during the negotiations, start-up, implementation and management of IJVs. The exchange of information is essential to a successful cooperation and thus a successful joint entity. The management team in these ventures should encourage trust and positive interpersonal relationships by ensuring the flow of correct and timely information. The team’s primary aim, in fact, should be to facilitate this collaboration. However, the exchange of information between partners is often made difficult by profound differences in management styles.

Several studies have been conducted on the factors leading to a successful IJV with particular emphasis on the cooperation between the parent companies. According to Chapus and Lesca (1996), communication between partners strengthens their relationship. Jolly (1995) adds that information sharing increases partner satisfaction, which in turn maximizes the probability that the alliance will succeed. Jolly goes so far as to say that managing communication is vital to the alliance’s survival.

Communication management can help reduce differences among allies on the one hand and their management teams on the other. This kind of management means acting on statements and a focus on listening and sharing, interpretation, confrontation and reformulation (Le Gall, 2000 [author’s translation]). The tools of interactive communication are varied, be they meeting places, informal meetings or social events: in short, anything designed to encourage creativity in all its forms.

Both formal and informal communication between the partners on the one hand and management teams on the other is an essential part of conflict resolution. This is especially true in developing countries, where the quality and importance of interpersonal relationships within the established alliances are more important than legal or contractual considerations (Schaan and Beamish, 1988). This type of informal relationship allows foreign partners to identify behavioural and social patterns linked to national culture.

1.2.3. LEARNING: A DYNAMIC PROCESS IN IJV MANAGEMENT
Several studies have shown that organizational learning positively influences the performance of IJVs (Ingham, 1994; Hamel, 1991; Hubler and Meschi, 2002; Tran and Kalika, 2006). One of the characteristics of organizational learning is that knowledge is recorded in the organizational memory, which enables its further transmission or evolution. Organizational structures are the primary custodians of this memory.

It is essential to note that companies’ experience with the type of collaboration inherent in an IJV is a key factor in the success of the alliance; thus, learning is vital. The ability to learn to work with partners from different cultures and with different approaches to the management and performance of the joint entity can be transferred to subsequent alliances. This could be illustrated in that many organizations’ management teams have created a set of routines to simplify inter-organizational relationships in terms of information systems, whether technological or human. Meschi (2005) finds, based on a quantitative study of 449 European partnerships, that learning experiences, especially those from recent alliances, have a positive effect on the survival of joint ventures. Similarly, informal communication and information systems affect learning conditions (Ingham, 1994) in that they stimulate the motivation and ability to learn while allowing individuals the freedom to choose.

In this context, the quest for improved performance includes the search for new strategies that can meet the challenges of a changing world. Resource theory teaches us that resources tend to flow to the company that has an edge over others. In the specific context of IJV, knowledge gained from experience can become a strategic edge.

As part of their study of joint ventures in Vietnam, Tran and Kalika (2006) also found that learning improves the performance of IJVs. Indeed, they found positive effects from the quality of learning, in terms of acquisition and creation of new knowledge, on the IJV’s performance.

1.2.4. CULTURE OF PARTNERSHIP: FROM DIVERGENCE TO INTEGRATION

Because cooperation hinges on the realization of collective action, it requires that the individuals involved share a common task and a relationship of mutual dependence (Dameron and Joffre, 2005). However, these relationships can be difficult to manage in situations with substantial cultural differences. For Dameron and Joffre, cultural diversity is seen only as a difficulty to overcome, and never as an opportunity, a source of differentiation or an asset for complementary cooperation. Similarly, Park and Ungsen (1997) find that cultural distance may create drama within an IJV when management teams do not share a perception of work ethic or business vision.
The combination of two or more separate companies, representing so many organizational settings, leads to two types of tension (Augé, 1994). The first is “otherness”: the relationship of “us” and “them”: does the other truly share my goals? Do his/her objectives fit mine? This sense of otherness operates within a sense of ambiguity and individual logic that may be compatible to some degree. The second type of tension is how the individual fits in a company: the relationship between the individual and the collective. This tension is resolved through reflection on identity and ambivalence, because the same individuals are destined to be a part of multiple entities.

Thus, understanding cultural differences can be a source of enrichment. In summary, a framework for understanding the culture of each partner is a valuable tool for IJV managers by allowing them to

- Identify the subcultures of their joint venture in terms of hierarchical levels, sectors and countries where the organization is present;
- Decide whether the culture fits into the company’s long-term plans, as cultural constraints can weigh heavily on strategic choices;
- Identify areas of potential conflict between the partners. This can be a starting point for a plan to minimize the effects of friction while preserving the cultural capital;
- Measure changes in culture over time.

In conclusion, the culture of partnership should be directed toward sharing, exchange and mutual conflict resolution and can foster cooperation between the joint venture partners. Thus, the role of leaders is critical to the success of cultural integration.

1.3. Research hypotheses

1.3.1. The process approach to IJV governance

Process research can describe and analyze how a variable changes over time. In this case, my aim is to study how IJV governance is changing. Studying "how" means highlighting the development of the variable in terms of length, periodicity or tendency (Grenier and Josserand, 1999). But a process study should go further, leading to the identification and articulation of time intervals (sequences, cycles or phases) that describe the behavior of a variable over time. This research describes how relational governance of an IJV changes over time depending on the evolution of its components (communication, learning, trust, conflict management, etc.).

A static approach to IJV governance would emphasize the importance of its mechanisms and their influence on performance. However, a dynamic approach has several advantages. It
allows the researcher to rethink the need for ongoing relationship management (Yavas et al., 1994) while monitoring the evolution of the relationship and the building of trust. The approach also gives parent companies the ability to predict future conditions of their alliance, manage change and resolve conflicts. Inter-firm cooperation is thus part of a relational contract; this includes previous relationships, in which the exchange has continued over a longer period. In the relational contract, "conflict and anticipated future difficulties are offset by mutual trust and efforts to create a community of interest" (Froehlich, 1998, p. 103).

The construction of a process model allows the integration of many aspects of an international joint venture: the initial conditions of the configuration, the means of engagement and the relational governance mechanisms of an IJV. The goal is to use this model to show the development of trust and the extent of its impact on satisfying the IJV parent companies. In this case, trust will be considered not only as a mechanism of cooperation or control, but also as a mechanism of governance, since it aligns the interests of stakeholders. The idea is to shed light on the mechanisms of governance and how they function in a multinational organization.

In order to obtain a comprehensive understanding of the IJV’s relational governance and its possible influence on parent satisfaction, we offer a process that integrates the various mechanisms discussed piecemeal in the literature. The following figure (2.6) illustrates a simplification of the process into three phases:

1) Initialization, which includes the parents’ objectives, the initial trust and formalization of the relationship;
2) Realization, which reflects IJV operation and cognitive conflicts arising from it;
3) Adjustment, which includes governance arrangements such as communication, learning and partnership culture.

Finally, we find that during these phases, parents’ satisfaction is influenced by the IJV as the process develops.

1.3.2. Formulation and operationalization of hypotheses

Below are the hypotheses to be empirically tested to answer the research question. Indeed, analysing the relational governance of international joint ventures is an appropriate means to understand how this relationship evolves over time and how parent companies manage any resulting conflicts. This approach allows for an assessment of the satisfaction of the joint venture partners.
In the initialization phase, there are several elements that characterize the relationship. These elements, called initial conditions, facilitate or hinder the start of the joint venture. At this stage, the role of initial trust must be analyzed.

In a longitudinal study, Gulati (1995) shows that companies with past associations tend to engage in further alliances. The availability of information to each partner is an important catalyst for an alliance to be repeated. Information regarding the reliability of a partner and its operations creates greater confidence in the partner company; thus, the partner’s reputation increases trust.

**Hypothesis 1:** In the initialization step, initial trust based on reputation and past experience will facilitate the launch of the IJV.

In the preparatory phase of the partnership, the contract formalizes partner expectations (Brulhart and Favreau, 2003) but does not cast doubt on the importance of trust in reducing the asymmetry between the parent companies (Das and Teng, 1998).

**Hypothesis 2:** Trust complements the contract as a mode of regulation: contract and trust coexist in the relationship.

The original context of the IJV either encourages cooperative behavior between partners or leads to the outbreak of conflicts, including cognitive conflicts, between the management teams. Indeed, strategic differences (Doz and Hamel, 2000), a lack of trust (Ring and Van De Ven, 1994) and cultural differences (Killing, 1983) can block the process of cooperation by increasing cognitive conflicts.

**Hypothesis 3:**

In the implementation phase, the initial conditions will influence how the IJV functions.

**H.3.1:** The initial conditions may or may not support the development of cognitive conflicts between the IJV management teams.

**H.3.2:** The initial conditions will determine the partners’ commitment and intensity.

The use of relational governance mechanisms allows adjustment for changing conditions (e.g., strategic intent, trust, contract, and the goals of the parents).

Communication between partners is important in that it continues throughout various phases of the relationship. In particular, management of information flow is essential to develop trust through bilateral relations, strengthen the will to commit and reduce cognitive conflicts (Jolly, 1995; Irrmann, 2006; Morel, 2005; Chapus and Lesca, 1996; Whitener et al. 1998).

**Hypothesis 4:**

Communication facilitates the management of cognitive conflict by establishing bilateral relations, building confidence and promoting the proper functioning of the IJV.
The complexity of the phenomena of learning, as observed in international joint ventures, is well understood (Ingham, 1994). The learning process is multifaceted, making it difficult to control. In fact, because of the involvement of several variables, this research focuses on two types of learning: learning how to manage the joint venture and learning about the partner. Moreover, the lessons learned from the experience of some alliances demonstrate the importance of success and the need to control the cultural component. Influencing cultural factors generally comes through tangible measures (Hofstede, 1994). In this study, the culture variable is replaced with the concrete actions put into place by the IJV parents.

**Hypothesis 5:**
Learning by the partner and IJV management will accelerate cognitive conflict management and create a culture of partnership which in turn will improve how the joint venture works.

Finally, the analysis of the governance process will allow an evaluation of how each of its components influence IJV parent satisfaction.

**Hypothesis 6:**
Throughout the process of governance, its characteristics will influence the parent companies’ satisfaction with the performance of the joint venture relationship.

### 1.4. Operationalization of the hypotheses

#### 1.4.1. Operationalization of the variables for hypotheses 1 and 2

**Hypothesis 1** considers the conditions of the initialization of the relationship to have an impact on the start of the international joint venture. These conditions are represented by two variables: initial trust and the contract. The following table lists these variables and their indicators.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Bases (reputation and past experience)</td>
</tr>
<tr>
<td></td>
<td>Levels (between parents, among members of the IJV management team)</td>
</tr>
<tr>
<td></td>
<td>Nature (initial nature, good faith among partners, trust in skills)</td>
</tr>
<tr>
<td></td>
<td>Expressions (interpersonal relations, conflict management, relationship quality)</td>
</tr>
<tr>
<td>Contract</td>
<td>Nature (formal, detailed, exhaustive)</td>
</tr>
</tbody>
</table>
1.4.2. Operationalization of the variables of hypothesis 3

To understand the context in which cognitive conflicts unfold, it is necessary to study strategically the distribution of power, decision-making, cultural differences and incompatibility. The initial conditions will determine the involvement of partners (Table 2.11).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic intent</td>
<td>The reasons for the IJV’s creation (whether there are implicit objectives or potential opportunism)</td>
</tr>
<tr>
<td></td>
<td>Alternatives (each member’s bargaining power and say in the joint entity)</td>
</tr>
<tr>
<td></td>
<td>The objectives of the parent companies (their expectations from the IJV)</td>
</tr>
<tr>
<td></td>
<td>Contributions (parent involvement, the role of the IJV in its business portfolio)</td>
</tr>
<tr>
<td>Cognitive conflicts</td>
<td>Distribution of power (the organization and its division of responsibilities)</td>
</tr>
<tr>
<td></td>
<td>Decision-making</td>
</tr>
<tr>
<td></td>
<td>Cultural differences</td>
</tr>
<tr>
<td>Commitment</td>
<td>Strategic incompatibility</td>
</tr>
<tr>
<td></td>
<td>Resources made available to the joint venture (e.g., qualified personnel, training)</td>
</tr>
</tbody>
</table>

1.4.3. Operationalization of hypotheses 4, 5 and 6

These hypotheses describe an adjustment phase in which relational governance mechanisms, coupled with the strengthening of trust, foster the proper functioning of the IJV through communication, learning, culture of partnership and the interaction of all these factors. Finally, the satisfaction of parent companies is seen as changing according to the characteristics of each consecutive phase. The following table summarizes the indicators of these variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>All information exchanges, formal and informal (through meetings, bilateral relations, the use of ICT, etc.).</td>
</tr>
<tr>
<td>Learning</td>
<td>Learning about the partner company, and its management and intentions (through meetings, seminars, relationships, etc.).</td>
</tr>
</tbody>
</table>
Learning management in the IJV (including the management of conflicts and tensions)
Changes in behavior and perception, the sharing of values (e.g., goodwill, conflict management or team harmony) Accepting the culture of the other.
The extent to which parent companies are satisfied with their IJV: their objectives, cooperative relationship, and long-term vision in terms of the expansion of the IJV or future investments.

Section 2: Research methodology and case studies

2.1. Research methodology

Based on an interpretive perspective, we use a deductive approach to understand the relational governance process of international joint ventures. The research insights rest on the interviewees’ and the researcher’s interpretations.

Given the nature of the problem and research objectives, a qualitative methodology based on case studies was chosen. A "rational choice" method was used for the sampling. Out of ten IJVs examined for this study, four are presented for further analysis. This choice improves the external validity of our research.

Moreover, to improve the internal validity of this study, we increased the number of information sources, primarily interviews. The sample of 22 subjects was selected to meet our goal of addressing the key players in the management teams within the IJV. Thus the interviews were conducted with various stakeholders (two managing directors, three directors of production, two quality managers, two controllers, an R & D director, a chief financial officer, a director and managers for sales, a supply chain manager, an audit manager, a lawyer, a company secretary and other senior management team members). The subjects work in three different sectors: aerodynamics, mining and oil and services (express transport, telecommunications and software). Data saturation was reached after 24 interviews, which provided a sufficient basis for analysis.

Data analysis was carried out in several stages of compilation and data processing, which were performed to meet several criteria. To make sense of the data, we adopted the thematic content analysis approach. For intra-site analysis, we decided to build a matrix for each period, based on the predetermined phases of governance in the literature. Finally, to improve the generalizability of our research, we opted for an approach to cross-case analysis based on
replication logic. This approach compares the configurations of the variables and their relationships as manifested in the field with features previously constructed in the theoretical framework.

2.2. Two cases of IJVs in the aviation sector

2.2.1. Description of the IJV AERO A

Founded in 1999, Aero A was created through the partnership of a Moroccan and a French group and specializes in the maintenance of aircraft engines. Aero A is both a vertical IJV because it includes a supplier and client and a multinational IJV because the French company was seeking expansion opportunities in Morocco. "We can say that this joint venture is an example of a successful partnership between a leading international engine manufacturer and a well-known airline," said the president of Aero A.

The Moroccan partner (PM1) is considered one of the driving forces of the Moroccan economy. The group is organized around six growth centres: its core business is transportation, while its industrial centre includes engine maintenance among its activities. PM1, a leading Moroccan airline, has a fleet of 44 aircraft that transports nearly 6 million passengers a year. The company serves 35 countries and 67 destinations with more than 1,200 weekly flights. Its hub in Casablanca, with its three terminals that receive over 12 million passengers a year, has become the largest airport hub in West Africa, providing an air traffic connection between Africa and Europe, the Middle East and North America.

The foreign partner (PE1) offers a wide range of engine maintenance and repair services to airlines, armed forces and operators of aircraft engines worldwide.

Aero A was provided with an initial capital of 31.4 million dirhams, which has grown to 72.6 million dirhams, and is owned 49% and 51% by its Moroccan and French partners respectively. At its inception, the joint venture had about forty highly qualified employees and modern facilities that could compete with those in Europe. Its function, to provide maintenance and repair for a variety of engines, was to be specialized on the overhaul of CFM56 engines made by the French and American engine manufacturers General Electric and Snecma.

The joint venture has strong assets: its strategic geographical position at the crossroads of Africa, Europe and the Middle East along with a very positive working environment combining high technical quality with adaptability, responsiveness and flexibility. The company is in fact in a position to meet the challenges imposed by a global market with a
surplus in engine maintenance, which calls for a high degree of competitiveness and aggressive business practices.

**The phases of governance of Aero A**

From the analysis of the interviews, we can examine the main features of the first phase: the initiation of the joint venture. At this point, the relationship between the partners was somewhat strained although the two companies had a prior customer-supplier relationship. The difference between the strategic intentions of the parents increased the gap. In addition, there was a virtual lack of interpersonal trust, which affected parental satisfaction. However, there was strong confidence in the skills of the partner, given its importance in the aerospace sector. Similarly, the degree of formalization was very high, as is true for the majority of joint ventures.

The second stage of the relationship involves the implementation phase of the joint venture. The delay in growth of Aero A and strategic incompatibility between the parents were unfavourable to parent company satisfaction, causing cognitive conflicts around the management of human resources. These mainly concerned the definition of positions, as well as recruitment and transfer policies for administrators. On the other hand, a change in leadership in PM1 did not favour the creation of interpersonal trust due to the lack of interaction among representatives of the partner companies. Inter-organizational trust, however, was positively influenced by a growth in activity experienced by Aero A.

Finally, the adjustment phase is characterized by the implementation of several mechanisms to manage cognitive conflicts. These mechanisms have the effect of improving the satisfaction of the joint venture parents. In this case, communication fostered learning among the partners, which allowed conflicts to be better managed, thus influencing partner satisfaction. However, the lack of interpersonal relationships between the leaders of each company has impeded the development of a partnership culture. On the other hand, cross-training instituted to increase the chances of success of the joint entity led the operations team to develop a sense of belonging to Aero A.

In summary, of course, each parent is meeting its objectives in the joint venture. However, they could improve its performance by adopting certain strategies. First, we believe that the problem of incompatibility between the strategic partners can be solved. It is in the Moroccan partner's interest to develop the joint venture not as just a side business, but rather as a sector with high added value. This is possible by assigning a leader to manage all the support
professionals in the PM1 group. This officer could well develop this business in its own right by being the intermediary between PM1 and its ally the PE1. Cognitive conflicts between parents about the performance of the joint entity would be reduced by access to the cognitive schema of this leader and his PE1 staff. This arrangement would thus favour the growth of both the IJV and the foreign partner.

In a second step, the importance of interpersonal relationships within Aero A’s management team needs to be emphasized. These relationships develop trust and increase parental involvement by creating a strong spirit of partnership within the management teams. Finally, a management plan for temporary postings should be considered in order to avoid potential problems.

Since the aviation industry is a growth sector that the Moroccan government is highly invested in, it is worthwhile to investigate the case of Aero B, flagship of the industry, which specializes in the manufacture of cables for aircraft.

2.2.2. Characteristics of the AERO B IJV

Officially launched on May 14, 2001 by King Mohamed VI, Aero B is the result of an agreement between three groups. The new company, located in the technology zone of Nouasser, specializes in the manufacture of wiring for various aircraft manufacturers (e.g., Boeing, Airbus and Dassault Aviation). These wires are intended for commercial aircraft only. Aero B, the result of a desire to work in partnership, has a capital of $7.5 million, held in equal one-third shares.

The partners, by trade and nationality:
• PM1: a Moroccan airline, also the parent of Aero A;
• PA2: an American aircraft manufacturer;
• PF2: a French partner specializing in Aero B’s product, aircraft wiring. It is a subsidiary of an engine manufacturer.

The phases of governance for Aero B

After the analysis of interviews in this case, the process of governance for Aero B can be represented by Figure 4.10. This process had three distinct phases. The first initialization phase can be seen in the various strategic intentions of the parents. Only the French partner (PF2) has strategic objectives in Aero B, which negatively influences the commitment of the other partners, especially the local partner, whose interests were more political than strategic. The conclusion of the initial phase required confidence in both the skills and the good faith of
all the parent companies. However, although trust is an important element at this stage, the contract was not neglected. There is thus a complementarity between trust and contract. The second step describes how Aero B was realized: it experienced several years of deficits due to problems in managing and controlling the joint venture. PM1 and PA2, lacking strategic objectives, noted, "for the first 5 years, Aero B was the showcase of aviation in Morocco." This could be seen in the incompleteness of the contract and a lack of communication on the objectives of the joint entity. These items added to other difficulties that have affected the company’s performance and thus the parent companies’ satisfaction. To counteract these problems, several measures were taken to upgrade the joint entity, making it the world leader in aircraft wiring in 2007.

The adjustment phase can partially explain this success. Indeed, the mechanisms used affected various levels. Communication management was enhanced by encouraging interpersonal relations and cross-training. Controlling the communication within the international joint venture led to various types of learning. On the other hand, the culture of cooperation at Aero B was enriched by the values of its parents, especially those of the American partner. Moreover, all these mechanisms added to the stability of the relationships build trust, which in turn creates a good team. All of the complex interactions of these relational strategies contributed to improving the management of the IJV and thus creating parental satisfaction with the joint entity.

In conclusion, this case allows us to draw lessons on the performance of international joint ventures. We have seen that the nature of the goals strongly influences the degree of parent company satisfaction. If the foreign partners achieve their goals, the local partner, who has mostly political interests in Aero B, is less satisfied. However, it is Morocco, as a host country, that derives profits from this partnership by building up expertise in the aviation industry. In fact, using stakeholder theory in the study of such IJVs can contribute to the understanding of the complexity of these inter-organizational forms.

2.3. Two IJV cases in the mining and hydrocarbon sectors

2.3.1. THE CASE OF BUTANE: AN IJV IN GAS DISTRIBUTION

Description of the Butane case

The third case we examine is an international joint venture operating in the hydrocarbon sector. Its main activity is the distribution of butane and propane in bulk and in bottles. This joint venture differs from the other IJVs studied here in that the partnership ended in 2005. At the end of this case study, we provide a section devoted to the dissolution of Butane.
Founded in 1998, Butane was the result of an agreement between two competitors: a Moroccan partner (PM3) and a French partner (PF3). It is thus an example of a joint venture with geographical complementarities. It operated in the LPG market, which is segmented into three main activities: the filling and distribution of LPG in packaged form and distribution of LPG in bulk. The company was owned equally by both parent companies. Its management and control also reflect equality between the parents.

Butane’s success in a highly competitive industry was the result of the mastery of several key success factors: very good internal and external communication, flexibility, adequate logistics, customer proximity and brand image.

The joint venture saw two major changes in its structure. One of these came in late 2001, with a change to its shareholders, when a Dutch shareholder (PH3) replaced the French partner. PH3 made a takeover bid in which it bought the French company including its alliances. The local partner was left with a new ally that it did not really choose. The second change concerned its dissolution, when the Dutch as well as the Moroccans opted to sell their shares to a competitor and the joint venture thus ended in 2005.

**The governance phases of Butane**

When analysing the interviews, we noticed that in the initialization phase, relationships from past experiences fostered a strong initial trust between the two parties. However, at the beginning of the relationship there was a mix of trust and distrust in the management team due to lack of communication. However, unlike the previous cases, the parents of Butane shared the same profession and the same strategic vision, presenting a compatibility that was favourable to its success. Finally, the Butane project required a carefully formulated contract, just as the other IJVs studied.

The second phase of the governance process, the realization, shows the evolution of these initial conditions and describes their impact on parental satisfaction. We noted that reputation promotes not only initial trust but also the performance of the joint venture through the positive feedback of the environment vis-à-vis the partnership. This led us to the difficulty of measuring the performance of an IJV, given its multidimensional nature. Furthermore, analysis of this phase was made more difficult in this case since Butane experienced a change in its foreign partner. The strategic incompatibility between PM3 and its new ally PN3 created cognitive conflict that was mitigated by mutual adjustment, communication and goodwill of both parents, all of which favoured the contract. On the other hand, we found an emerging problem in terms of our theoretical framework concerning the succession of expatriates. This
policy was seen as a constraint and point of frustration by the permanent management team, who felt they lacked control over their careers. However, we noticed at this stage that trust played an important role in the management of cultural differences within the management team, facilitating cooperation.

Aside from some difficulties, each parent benefited from Butane. The adjustment phase explains how this success was achieved. In fact, the mechanisms that Butane’s management adopted improved its performance. We noted that the strong focus on formal communication created an organizational memory for everyone in the joint entity. The management team made communication based on transparency and traceability its strong point. In terms of the learning achieved, we found that learning about the purpose of the alliance had not only a direct impact on performance, but also an indirect effect through increased motivation among staff. On the other hand, learning about the partner affects the dynamics of cooperation by improving the relationship between parents and building trust. Therefore, implementing these governance mechanisms allowed the development of a spirit of partnership based on mutual conflict management and goodwill. Finally, we have shown throughout the analysis how these governance mechanisms influenced the parents' satisfaction with achievements and accumulated learning.

However, the Butane partnership was eventually dissolved. Although Butane succeeded in meeting all the partners’ common and individual interests, the company ended, as do many international joint ventures, when a Moroccan group (GM3) bought it out. Although some believe that the acquisition of the international joint venture was for the purpose of making the sector more Moroccan, most of the information gathered suggests that the end stemmed from a conflict between PN3 and the Moroccan state.

This can be seen in the position of the Dutch partner vis-à-vis Moroccan government debt, as well as in the personal conflict between the Prime Minister of Morocco and the Dutch director. The director in fact had raised his voice to his interlocutor in the discussion, which led to an intervention and a royal order to dissolve the joint venture for "a very rich transaction."

This example shows a case of when incompatibility of governance is not a relation problem, but a problem at the institutional level. Thus, the state may be an important driver in the creation of international joint ventures and in their dissolution as well. The involvement of the state may be added as a determining factor in the large body of literature dealing with the failure of international strategic alliances. This case also puts into perspective the high rate of failure of international joint ventures, which does not necessarily demonstrate a lack of performance.
2.3.2. MINING: A UNIQUE IJV IN MOROCCO

Characteristics of the IJV Mine

The second joint venture in the mining and hydrocarbons sector is an exemplary case in our research. Most of the international joint ventures established in emerging countries involve technology transfer: the outside partner provides its skills and expertise to the partner in the host country. While the three previous cases illustrate this generality, the case that follows describes the opposite situation. It can therefore help us explore innovative possibilities in North-South partnerships.

To secure a portion of its exports and diversify its strategic alliances, the group PM4 approached an Indian company belonging to a large private group. In 1999, the partners signed an equal joint venture. This partnership created a phosphoric acid plant within the industrial complex in Jorf Lasfar with an annual production capacity that eventually increased to 370,000 tons, all of which goes to the Indian shareholder. The joint venture is vertical, as it is between one vendor (PM4) and one client (PI4).

We have chosen to focus on the Moroccan partner, who represents several unique aspects. PM4 is using its dominant role in the partnership to further its expansion strategy. The PM4 group specializes in extraction, processing and marketing of ores and derived products. It operates on five continents and has an annual turnover of 1.3 billion.

One of the leading providers of foreign currency, PM4 is a leader in Morocco’s economy. With reserves equivalent to three-quarters of global reserves, the group has become the third largest producer after the United States and China. Alliances with international partners have become a central part of its strategy to secure markets: "partners are also our customers," as the CEO of PM4 says. The IJV also helps the company spread risk and optimize financial resources. These partnerships foster important exchanges in technological knowledge. Finally, reflecting the opening of Morocco to international business, they are important for making the Moroccan partner more international.

Governance phases of Mine

The initialization phase played a major role in the relationship between PM4 and PI4. We found that the parents' goals are compatible: one sought to secure its market, while the other wanted to ensure a steady supply. In addition, the influence of environment on the joint venture is limited in that its total production is for PI4. Thus, we concluded that the
compatibility of the objectives and low strategic uncertainty in the IJV provide a solid foundation for the parents’ relationship. Moreover, reputation and confidence in skills, based on years of experience, were prerequisites for the creation of the joint venture. However, initial trust did not play its role as facilitator to start the alliance. In fact, the substantial formalization of the relationship, whose function is disciplinary, left less room for trust to help smooth negotiations between the parents.

In the implementation phase of Mine, we found it difficult to identify cognitive conflicts. This can be explained by the scant interaction between the two parents. PI4, feeling confident about its partner, sent home its representatives, leaving the operational management of Mine to PM4. In addition, the low impact of strategic uncertainty on Mine resulted in fewer management differences and thus conflicts within the management team. These good conditions, along with the commitment of the parents, have guaranteed the success of the joint entity. This enhances both trust and partner satisfaction.

Finally, the adjustment phase spreads the relational governance mechanisms in order to improve the relationship. First, we found that communication has an impact on reducing cognitive biases. On the one hand, while formal communication allows the management of information flows, informal communication helps foster teams. Furthermore, we found that communicative management required the mastery of workplace language. Second, the companies have learned, through trade and cross-training, how to create parent satisfaction through the successes achieved. PI4 have manifested particular satisfaction with the accumulation of skills. Relational governance has thus affected the parents’ satisfaction. In addition, we found in this case that motivation and willingness of the team were necessary to alleviate problems of understanding. Finally, all of these conditions were favourable for cooperation in developing a spirit of partnership.

Section 3: Analysis across cases and discussion of proposals:

The initialization phase of the relationship (DISCUSSION OF HYPOTHESIS 1)

Hypothesis 1 is partially confirmed in that initial trust is certainly essential for the selection of a partner and subsequently entering the relationship, but it is not sufficient to reduce the time required for negotiation and formalization. On the contrary, it is based primarily on the reputation of the partners and prior encounters. Partial validation of this proposal is explained in part by not taking into account some unique aspects of inter-organizational structure.

The role of trust is particularly justified in the IJV because of the significant investment these ventures require. Both the partner's honesty and competence are crucial to the success of the
joint venture. Indeed, none of the joint venture partners studied planned to cooperate with a company whose behaviour raised doubts about its honesty or goodwill. This is consistent with the definition proposed by Moorman et al. (1993), in which trust is based on the perception that it will be reciprocated. The following table summarizes the characteristics of initial trust and its impact on the relationships in the four cases studied.

Business cooperation is a relational contract, which often implies previous relationships (Gulati, 1995). The parents of three of the four IJVs had cooperated prior to their partnership, with the exception of Butane, whose parents were competitors. However, we noted the importance of interpersonal relationships between the leaders of Butane’s parents, who maintained their relationship throughout the IJV. Thus, the reputation of the partner increases trust by reducing the information asymmetry between the parents. Mutual trust between partners therefore often comes prior to their involvement in the IJV. Our results hence confirm those of Ring and Van De Ven (1992) and Larson (1992).

Confidence in the partner’s skills is the key to the success of the venture. Thus, the choice of partners is always relative to the partner’s capabilities especially in terms of skills and experience. Trust is based on the achievements of the partner, its history and its development potential.

**DISCUSSION OF HYPOTHESIS 2**

Hypothesis 2 is confirmed by the presence of mutual trust and contractual relations studied, even if that presence depends on governance processes.

We found that, just as formalization is important at the outset of the relationship, confidence is essential for the smooth functioning of the joint ventures studied. The development of trust completes the contract, including mutual resolution of conflicts arising from collaborative work between the management teams.

Our results are consistent with those of Poppo and Zenger (2002), for whom relational governance, mainly characterized by trust, complements the contract. In fact, the strength of the relationship can overcome the complexity of formal contracts.

Therefore, our results confirm those of Roy and Bigras (2000) and Brulhart and Favoreu (2003) about the preventive function of the contract. Trust increasingly complements the contract throughout the management of the IJV. Because the contract of the alliance can never be completely exhaustive, the development of interpersonal relationships is important to
complete the formal procedures. These complementary relationships help resolve conflict and create a better understanding of the responsibility of each party. However, in the management of the IJV, trust also has a significant effect on performance by reducing monitoring costs. Thus, in the Mine case, the Indian partner withdrew its own staff from the joint venture as its confidence in its Moroccan ally increased. This confidence building allowed the parents to reduce the costs of the joint venture.

Our results are consistent with those of Wicks et al. (1999) in that the degree of confidence should be high in relationships characterized by high interdependence; however, our results do not find costs incurred by high confidence. On the other hand, our results show that despite a relatively high level of confidence, very exhaustive contracts provide parents with high levels of control, particularly through the increased role of the board in these joint ventures.

**The implementation phase of the IJV (Discussion of hypothesis 3)**

Hypothesis 3 is validated to the extent that increased trust and strategic fit are closely related to the proper functioning of the four joint ventures studied and vice versa. Like Kelly et al. (2002), we noticed that initial conditions determined the success of the alliance. These conditions affect both the degree of commitment of the partner and the management or creation of cognitive conflict.

Prior to discussing this hypothesis, it is useful to recall that in the first sub-hypothesis, the issue of cognitive conflict was justified by the use of cognitive theory in the context of IJV governance. However, it is very difficult to identify these conflicts. We discovered in this study the difficulty of distinguishing cognitive conflicts from other types. It is not easy to interpret a given problem as a cognitive conflict. Note also that in the analysis, it was important to distinguish between simple cognitive biases and the true cognitive conflicts so that only the latter would be analysed.

This hypothesis will be discussed by examining the two points that make up the initial conditions of the relationship: trust and strategic fit.

In the case of Aero A, although inter-organizational trust was strengthened by the growth of the business, interpersonal trust was very low because of interactions between the management team. This caused cognitive conflicts particularly on issues of human resource management, given the divergence of their cognitive maps. This result shows in itself that one can speak of trust as a unique concept. This highlights the complexity of analysing the concept of trust in its various forms and levels.
In addition, the results of this study confirm the work of Loilier and Tellier (2004) and Ring and Van de Ven (1994), which finds that a lack of direct links between actors limits interpersonal trust. At the same time, this interpersonal trust is seen as a coordination tool that helps in managing uncertainty.

Concerning the case of Butane, trust was developed on two levels: intergroup and interpersonal. As a result, trust not only facilitated cooperation but also encouraged the development of harmonious relations within management teams.

Finally, we found that levels of trust change from one phase in the partnership to another. Thus, during the negotiation phase and initialization of the relationship, confidence in the honesty and competence of the partner is the basis of the relationship. However, during the actual operations of the IJVs studied, it was inter-organizational, intergroup and interpersonal trust that developed and promoted cooperation in the joint entity. The following table summarizes the development of trust in the four cases studied.

Table: The development of trust and its manifestations

<table>
<thead>
<tr>
<th>Case</th>
<th>Type of trust</th>
<th>Manifestations of trust</th>
<th>Trust building</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before</td>
<td>After</td>
<td></td>
</tr>
<tr>
<td>Aéro A</td>
<td>Trust in the skills and honesty of the partner</td>
<td>Inter-organizational trust</td>
<td>Growth in business, achievement of objectives</td>
</tr>
<tr>
<td>Aéro B</td>
<td>See above</td>
<td>Inter-group trust</td>
<td></td>
</tr>
<tr>
<td>Butane</td>
<td>See above + interpersonal trust</td>
<td>Intermediate trust</td>
<td></td>
</tr>
<tr>
<td>Mine</td>
<td>Trust in the skills and honesty of the partner</td>
<td>Inter-organizational trust</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>interpersonal trust</td>
<td></td>
</tr>
</tbody>
</table>

The strategic fit covers both the objectives of the partners and their structures. It can be analysed through its dimensions: size and status, objectives and values, policies and procedures, and relationships.
For the first two joint ventures studied, the incompatibility between the strategic partners was confirmed in the divergence of their understanding of the joint venture environment. First, it should be noted that alliances can be unstable given the degree of uncertainty to which each partner is exposed. In the case of Aero A, the uncertainty was related to the environment in which the joint venture was set: market developments that affected the achievement of objectives. This uncertainty generated negative effects since the decision-making process was affected by the strategic differences between the two allies. In fact, the Moroccan partner (PM1) decided to stop hiring technicians, leading to a malfunction in the joint venture at times of increased activity.

In the case of Aero B, uncertainty was related to the ambiguity of the cooperative context. Thus, as described by Ring and Van De Ven (1992) and Das and Teng (1996), uncertainty generated relational risk about the appointment of the French partner (PF2) for the operational management of the joint entity. Thus, the first five years of deficit that Aero B experienced were mainly the consequences of unsatisfactory conduct on the part of PF2.

In the case of Butane, although the Moroccan partner and its French ally (PF3) were competitors, they had a good strategic fit that gave them harmony in their decisions and mutual commitment. But with the arrival of the Dutch, differences increased, demanding more concessions from both sides to improve their cooperative work.

However, for the last joint venture studied, Mine, the excellent strategic fit between the partners created its success and stability. Certainly, the parents’ goals are different, but they are not incompatible: One is seeking to ensure its supply, while the other is securing its market by creating a permanent customer. Accordingly, all parties had an interest to work together in the IJV to ensure its success.

Finally, in addition to the initial conditions mentioned above, reducing conflict also involves a reform of corporate governance. Indeed, the state, as a party to IJVs, should help reduce conflicts between partners. This is possible by reviewing legislation that regulates the sectors interested in this kind of investment. On the other hand, the state should also have limited its influence on the Moroccan partner by imposing fewer constraints, as evidenced by the case of the Butane joint venture.

The adjustment phase (Discussion of hypothesis 4)

Our results confirm those of Irrmann (2006) that mastery of language is a means of communication that can overcome cultural barriers. Aero B is a success in this area, because
one of the key factors in the success of this alliance was its management team’s mastery of two foreign languages.

In the interest of clarity, the foreign partner of the joint venture Mine is also investing in training its expatriates in workplace language in order to avoid misunderstandings and ultimately cognitive conflicts. Clarity is a principle Morel (2005) insists is key to successful communication policy, along with speed. The use of new information and communication technologies (ICTs) in the four IJVs constitute a guarantee of their success to the extent that information reaches recipients quickly. The use of ICT therefore ensures the effectiveness of the decision-making process.

However, the Moroccan partner of the Aero A joint venture did not persevere at the beginning of the relationship. Morel (2005) points out that an alliance is like a marriage, where the partners must realize that they cannot understand everything from the first step. In this case the lack of interpersonal relationships in the alliance made informal communication more difficult. In addition, the lack of interaction among the partners of the Aero B IJV was a factor leading to its five-year deficit.

Partners should develop a communication policy for their own joint project that fits their communication needs and knowledge. However, as already noted by Kwon (2008), communication fostered mutual trust between the partners of Aero A in that the Moroccan partner gradually accepted the methods of its French ally. Indeed, communication had a positive influence on the performance of the joint venture, although this influence was reduced by some cool relationships.

Finally, our results are consistent with those of Whitener et al. (1998), who emphasize the role of leadership in a climate of trust resulting from open communication based on sharing and exchange of information. Butane’s directors in particular played a crucial role in communicating their strategy to all staff. This contributed to the creation of an identity for the alliance. Our results also show that all forms of communication, between the parents on the one hand and the management teams on the other, create various types of organizational learning in the joint venture.

**Discussion of hypothesis 5**

Hypothesis 5 is partially validated for two reasons. First, learning in the management of the IJV was identified in only two of the IJVs. Second, there was no systematic creation of a culture of partnership, especially since this concept overlaps with several other concepts: sense of belonging, the IJV’s own culture or the tendency to appropriate the other’s culture.
In the cross-case analysis, several types of learning were identified. Learning from the partner is essential to promote the dynamics of cooperation and maintain the quality of the relationship. The accumulation of this kind of knowledge is the one that emerged most clearly from our interviews. Our results are thus consistent with those of Larson (1992), who stresses the importance of understanding the characteristics of each partner.

For the first case study, Aero A, learning was key to the alliance. Morocco is new to the aviation industry, so the accumulation of knowledge occurred within the IJV through the transfer of skills from the French partner (PF1). This learning obviously paid off in the performance of the joint venture. Learning about the partner reduced the gap between the partners in managing cognitive conflicts arising from conflict and strategic asymmetry. Thus, PF1 learned a lot about the intentions of its partner, especially its recurrent strategy of short-term profitability, and was thus able to incorporate this knowledge into the IJV’s cognitive schema.

The joint venture Aero B truly benefited from this type of learning. Bringing together three partners of different nationalities and cultures, the company could take advantage of the interaction between the parents to promote mutual understanding and strengthen trust.

The case of Butane includes important reasons why parent companies should learn from each other. Our result confirms that of Dussauge et al. (2000), who show that complementary joint ventures offer learning opportunities far superior to those offered by additive alliances. Since the skills provided by each partner are different, the partners can benefit from group activities in which each acquires the other’s know-how.

Similarly, the Mine joint venture has been a success for its Indian partner (PI4) in terms of learning and accumulation of skills. Indeed, PI4 accumulated skills and knowledge from its local ally that it can use outside the scope of the alliance.

As for the introduction of a culture of partnership, our results lead to the same conclusions as Meier (2004) on the importance of cross-cultural management in international relations. Although the Butane partners had been former competitors, they succeeded in developing a spirit of partnership thanks what they learned. In Aero A, a lack of strong personal relationships between the players of both parents hindered the development of a culture of partnership (on the inter-organizational level), unlike the IJV’s operational team, which cultivated a spirit of membership in the alliance. Similarly, the management teams of Aero B and Mine each managed to cultivate a culture of partnership through knowledge transfer from each partner to the common entity. This mindset has fostered cooperation within management
teams and engagement with partners. This is consistent with Brannen and Salk’s (2000) study on a German-Japanese joint venture.

**Satisfaction of the parents of the IJV (Discussion of hypothesis 6)**

Hypothesis 6 is partially validated. The inadequacy of this result is partly due to the difficulty of identifying the direct link between certain governance mechanisms and parental satisfaction with the IJV, as well as the complexity of the interactions between these mechanisms. Relational governance promotes parental involvement in the IJV, which can be seen in the responsibility of senior management, the dedication of the team to the shared goals of the alliance and finally the results of the alliance.

The cross-case analysis clarifies the relationship between confidence and the performance of the IJVs. The role of trust in reducing transactions costs is more substantial for ex-post costs of the alliance (implementation, management and control) than it is for ex-ante costs of the partnership like the drafting of the contract. Thus, our results are consistent with those of Dyer and Chu (2003).

The relationship between communication and satisfaction of the parents can be evaluated for two types of communication: formal and informal. The first category allows for a clear and transparent relationship through meetings, reports and other informational materials. The second aims to improve relationships and reduce conflicts arising from interactions between management teams from different countries and different organizational levels.

On the link between learning and performance of IJV, our results show, like those of Hubler and Meschi (2002), that the benefits of the accumulation of knowledge and skills can sometimes go beyond just the performance of an IJV. In fact, the two joint ventures in the aviation sector were able to create value not only for their parents but also for the Moroccan government as the country acquired a brand image in this sector as a result of the accumulation of aeronautical expertise and thus the ability to attract new foreign investors.

The cross-case analysis also allowed us to investigate the relationship between the culture of partnership and parental satisfaction. However, the relative infancy of the IJVs studied (an average of five years old) did not allow for an in-depth examination of the link between these two variables. Nevertheless, our results showed, as did those of Ouchi (1982), the importance of partnership culture through the process of socialization and integration of management teams. Thus, the spirit of partnership has implications for the performance of the IJV and the satisfaction of its parent companies.

Finally, another factor has emerged from our research on the performance of IJVs. It can be inferred through the results of our case studies that there are reasons for IJV failure other than
those relating to performance. They may be related to the departure of the foreign partner due to constraints and institutional pressures (as with Butane), a strategic shift from a partner or the nature of the project. Thus, our results confirm those of Meschi (2003), who noted that failure rate alone is not sufficient to evaluate the performance of an IJV.

**Conclusion:**
The literature about the management of IJV, and especially about the relationship between the partners, emphasized that to ensure the joint ventures sustainability, it is important to take into account the relational governance through its mechanisms: trust, communication, learning, culture of partnership and mutual conflict management (Larson 1992; Bamford et al., 2004). Different authors suggest conceptual frameworks to analyze the governance of the IJV as a whole, but the majority of the literature is fragmented and focuses exclusively on alliances created in Asia.

Our research is placed in the heart of the governance processes important for the dynamics of cooperation in international joint ventures, and intent to understand the impact of governance relational on partner satisfaction.

**The theoretical and methodological contributions**
The first contribution of this research is the implementation of the corporate governance theory to the IJV. However, the desire to synthesize the governance process of the joint venture runs into empirical reality. Second, the idea that the role of trust is restricted to personal interests according to Williamson (1993) was enriched. Within this research, it is the confidence in the skills of the partner who fulfills this role. Third, our research provides clarification on the complementarity between trust and contract. Indeed, the importance of informal and interpersonal processes (especially trust) is reinforced with the effective start of the IJV, and not with the first negotiations. Thus, the complementarity between these two mechanisms is not static: it is built as the project progresses.

Regarding the methodological contributions, as issues dealing with international joint ventures are generally processed through quantitative methods using questionnaires, we consider that the development of a methodology for the case study by semi-structured interviews is conducive to deciphering the complexity of the research question. This choice also allowed us to analyze the different views of all joint venture partners. Using a qualitative methodology allowed the identification of the different phases of governance for each of the studied joint ventures, and to identify, whenever possible, the satisfaction expressed by parents about the quality of their relationship. Finally with this method, we found also that the
variables that may be of a different theoretical point of view, often intertwined in the speech of the interlocutors.

**Managerial inputs:**
Our paper shows the factors that influence IJV parents' satisfaction and are often overlooked compared to other so-called formal mechanisms. Then, it allows proposing five rules of governance actors wishing to engage or engaging in international joint ventures. These rules affect both the phases of the life of the alliance and various stakeholders. These are essentially:
1. The strategic fit must be taken into account throughout the operation of the alliance;
2. The development of trust must involve all levels of the IJV and not just the initial network of the joint venture;
3. The role of information technology and communication technologies to reduce the information asymmetry between the partners. Their use should not be summed up in purely economic objectives, but also in their ability to develop interpersonal relationships.
4. Instead of learning: learning skills and technology should not be the unique objective behind the creation of alliances. Other types of learning are also essential for the success of JVI: learning on the management of the entity and the common knowledge on the partner. It is important for partners to develop a corporate memory, rich experience of cooperation
5. Performance: While the joint venture is not a "marriage" for life, but the involvement of parents must be thinking long term.

Finally, the governance process of the relational JVI, reflecting an often unspoken side of the partnership can be a reading tool for consultants involved in alliances to address specific deficiencies and / or improve their performance.

**Limits and perspectives of research**
Despite its theoretical and operational, our research has limitations, particularly with regard to the exploratory nature of the subject. We can present these limits into three categories: The first limitation is the validity of the procedural model, which mainly focuses on identifying the different phases of governance and obscures some of the interactions between its components. Future research may include a thorough analysis of interactions between the mechanisms of the governance process of the IJV and their impact on performance. In addition, the number of interviews used may appear low, but since it is essentially part of those of the management team, the sample is significantly important. Indeed, access to
partners was very difficult because of their workloads and especially their many trips. The second limitation concerns the recency of most studied joint ventures, which in part limits the generalization of our results. Because time is an important variable in interorganizational relationship, it can measure changes in confidence, learning, culture and a set of mechanisms for the creation, operation and adjustment of the joint venture. A longitudinal study would be interesting.

The third limitation is the identification of cognitive conflicts which may be biased due to the nature of contacts (or representatives of a parent or independent). In future investigations, it would be interesting to consider a single case study.

Several extensions are possible for this research. Facing the current crisis, it is legitimate to question the effectiveness of governance systems. Morocco is a Muslim country, it is governed by the laws and principles derived from religious tradition. Similarly, local governance mechanisms can be inspired from the same source. It would therefore be beneficial to research to know the extent of religious considerations of respect for the interests of stakeholders. In this sense, some questions may be subject to further analysis: what is that religion can regulate the behavior of leaders within the organization? Is the "religious reputation" of a leader can influence the investment decision of a shareholder? Moreover, another line of research is to harness the power of the IJV in the evolution of local governance practices. A series of questions is obvious: is that the experiences learned from the IJV influence governance practices within the local parent company? Is the investment through the IJV acts on the governance systems of the host country? The case studies in this research we suggest that the governance system of the foreign partner would be dominant. Because the latter requires, in most cases, the CFO of the joint entity. Thus, under the OECD guidelines, the international joint venture can be a real opportunity for local businesses to be formed in terms of good corporate governance. That mean, a successful transfer of these practices depends on the interdependence between the management teams of parents and the willingness to learn the local partner.

Finally, further studies may be interested in the impact of the State on the performance of international joint ventures. The State as a stakeholder in the joint venture is to be incorporated more in the analysis of JVI. For developing countries especially, the involvement of the state is important. Although all of the alliances studied are private companies, the state often plays a major role.
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