# The effect of parental opportunism, IJV’s autonomy and tacit knowledge on IJV instability: A comparison of multi-variate regression and fuzzy-set qualitative comparative analysis

**Abstract**

This study uses an agency theory perspective to examine how the factors that influence principal (IJV parents) and agent (IJV) relationship may affect IJV instability in China. The study proposes a framework that bridges knowledge-based theory (of tacit knowledge) and agency theory (of parental opportunism) by incorporating reactance theory (of autonomy). By comparing the empirical results of fuzzy-set qualitative comparative analysis (fsQCA) and multiple regression analysis, using a sample of 203 Chinese-foreign IJVs, the study add further evidence to growing methodological consideration regarding complexity theory. The results from multiple regressions show that parental opportunism and IJV’s autonomy has a positive effect on IJV’s instability, and that the interaction of autonomy and tacit knowledge moderates the effect of parental opportunism on IJV instability. However, fsQCA uncovers more causal paths than findings from multiple regression analysis.

Keywords: Joint venture instability; IJV autonomy: parental opportunism; IJV tacit knowledge; knowledge-based view; agency theory