

**OVERCOMING CRITICAL ISSUES OF
INTERNATIONAL CONSTRUCTION JOINT
VENTURES IN SRI LANKAN CONSTRUCTION
INDUSTRY**

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Degree of Master of Science

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University of Moratuwa

Sri Lanka

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Thesis/Dissertation submitted in partial fulfillment of the requirements for the degree
Master of Science in Construction Law and Dispute Resolution

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DECLARATION

I declare that this is my own work and this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Abstract

International construction joint ventures (ICJVs), have become a successful strategy for sustainable development. Numerous studies have highlighted the potential pitfalls leading to the critical situations and even to failure of construction joint ventures (CJVs), ranging from ambiguous partner roles to imbalanced risk-sharing mechanisms and misunderstandings in operational practices. Even though many researches have focused on identifying critical issues in CJVs, there were lesser number of researches which have focused on strategies to overcome those critical issues. Hence, this research was conducted with the purpose of identifying the critical issues in ICJVs and strategies to overcome those issues.

Through the literature review, twenty-eight critical issues and twenty-seven critical success factors were identified. To identify the most significant critical issues and issues that can cause ICJV failure, from the pool of issues, a questionnaire survey was conducted. Forty individuals with expertise of International Construction Joint Ventures (ICJVs) and over five years of experience in the construction industry participated in the survey. The data collected through questionnaire survey was analyzed using Relative Importance Index (RII) to identify the most critical issues. In the view of finding additional critical issues, critical success factors and strategies with practical examples to overcome those factors, ten expert interviews were conducted. The interview data was analyzed using manual content analysis.

Among twenty-eight critical issues, five issues have ranked with highest RII which have significant impact to the ICJV such as ICJV partner selection and exit mechanism, JV management related issues, Inter-organizational difference, Issues related to host country, Risk allocation. Through expert interviews, it revealed three critical factors additionally such as time zone difference, Human resource management and supply chain disruption. Further, it was revealed the economic instability in the country has severe impact on ICJV performance. Finally, probable strategies were proposed to overcome critical issues in ICJV.

Key Words: *International Construction Joint Venture (ICJV), Critical issues in ICJV, Construction industry Sri Lanka*

DEDICATION

I dedicate this piece of research to

Beloved Wife & Parents

who encouraged me

providing emotional and spiritual effort

in this endeavor....

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Mendis B. L. D.

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TABLE OF CONTENT

DECLARATION.....	I
ABSTRACT	II
DEDICATION.....	III
ACKNOWLEDGEMENT	IV
TABLE OF CONTENT	V
LIST OF FIGURES	VIII
LIST OF TABLES	IX
LIST OF ABBREVIATIONS	X
LIST OF APPENDICES	XI
CHAPTER 01	1
1.0 INTRODUCTION TO THE RESEARCH.....	1
1.1 Background.....	1
1.2 Problem Statement.....	4
1.3 Aim and Objectives	4
1.4 Research Methodology.....	5
1.5 Scope and Limitations	5
1.6 Chapter Breakdown.....	6
CHAPTER 02	7
2.0 LITERATURE REVIEW	7
2.1 Introduction.....	7
2.2 Nature of Construction Joint Ventures.....	9
2.2.1 Construction Joint Ventures (CJV) and International construction joint ventures (ICJV)	9
2.2.2 ICJV history in Sri Lanka	10
2.2.3 Types of ICJV	12
2.2.3.1 Consortium.....	12
2.2.3.2 Equity JVs	12
2.2.3.3 Integrated JVs.....	13
2.2.4 Formation of International Construction joint venture	13
2.2.5 Motives to form an ICJV	16
2.3 ICJV Agreement.....	18
2.3.1 Key components of a ICJV agreement	18
2.4 Critical success factors in ICJV projects	22
2.5 Critical issues and failures in ICJVs	24
2.6 Critical issues and risks associated with ICJVs and their impact to the ICJV performance	25
2.6.1 Issues related to ICJV selection of partners and exit mechanism	25

2.6.2	Issues related to ICJV management	26
2.6.3	Issues related to Inter-organizational difference	29
2.6.4	Issues related to host country	30
2.6.5	Issues related to risk allocation	31
2.7	Strategies to overcome issues in ICJVs	37
2.7.1	Strategies to overcome issues related to ICJV partners selection and exit mechanism.....	37
2.7.2	Strategies to overcome issues related to JV management.....	38
2.7.3	Strategies to overcome issues related to Inter-organizational difference.....	42
2.7.4	Strategies to overcome issues related to host country.....	42
2.7.5	Strategies to overcome issues related to risk allocation.....	44
2.8	Failures in International Construction Joint Ventures (ICJVs) and strategies to overcome failures	46
CHAPTER 03	50
3.0	RESEARCH METHODOLOGY	50
3.1	Introduction	50
3.2	Research Design	50
3.2.1	Research Approach	51
3.2.1.1	Available Approaches	51
3.2.1.2	Selected Research Approach for this Study	52
3.2.2	Research Strategy.....	53
3.2.2.1	Available Research Strategies.....	53
3.2.2.2	Selected Research Strategy for this Study	53
3.2.2.3	Sample size.....	54
3.2.3	Research Techniques.....	54
3.2.3.1	Data Collection Techniques	55
3.2.3.2	Data Analysis Techniques.....	56
3.3	Research Process	59
3.4	Chapter summary	60
CHAPTER 04	61
4.0	RESEARCH FINDINGS AND ANALYSIS.....	61
4.1	Introduction	61
4.2	Quantitative data analysis	61
4.2.1	Demographic Characteristics of Questionnaire Survey Respondents	61
4.2.1.1	Rate of response	61
4.2.1.2	Occupational profile of the survey respondents.....	62
4.2.1.3	Experience in the construction industry	62
4.2.1.4	Familiarity with ICJV arrangement	63
4.2.2	Critical issues of ICJV	64
4.2.3	Critical issues leading to ICJV failure	66
4.3	Qualitative data analysis	67

4.3.1	Demographic Characteristics of Experts.....	67
4.3.2	Expert selection criteria.....	67
4.3.3	Profile of the experts	69
4.4	Semi-structured expert interviews.....	69
4.5	Analysis of expert interview findings	70
4.5.1	Critical issues in ICJV and best practice to overcome.....	70
4.5.2	Importance of addressing critical issues promptly.....	75
4.5.3	Critical success factors	76
CHAPTER 05	78
5.0	CONCLUSIONS AND RECOMMENDATIONS	78
5.1	Introduction	78
5.2	Overview of objectives achieved in the study	78
5.3	Recommendations	80
5.4	Contribution of the research	80
5.5	Limitations	81
5.6	Further research.....	81
6.0	REFERENCES.....	82

LIST OF FIGURES

Figure 2.1: Typical ICJV structure.....	10
Figure 2.2: The development process of JVs	15
Figure 2.3: Motives of forming a JV	18
Figure 3.1: Research process	59
Figure 4.1: Type of Stakeholder.....	62
Figure 4.2: Occupational profile of the respondents	62
Figure 4.3: Experience in the construction industry	63
Figure 4.4: Familiarity with ICJV arrangement.....	63

LIST OF TABLES

Table 2.1: Tasks to be carried out at each stage of the ICJV process	15
Table 2.2: Critical success factors as identified by different authors	23
Table 2.3: Critical issues of ICJV and their impact to ICJV performance	33
Table 2.4: Summary of reasons for failures, consequence and strategies to overcome	48
Table 4.1: Response rate for the questionnaire returned.....	61
Table 4.2: Ranking of critical issues based on their level of significance	64
Table 4.3: Critical issues leading to ICJV failure	66
Table 4.4: Expert selection criteria	68
Table 4.5: Profile of experts.....	69

LIST OF ABBREVIATIONS

- CJV - Construction Joint venture
- ICJV - International Construction Joint venture
- JV - Joint venture

LIST OF APPENDICES

- Appendix A - Summary of Findings
- Appendix B - Questionnaire Survey
- Appendix C - Interview Guideline