ABSTRACT

Given globalization and increased competition, firms are turning to strategic alliances, like joint ventures to maintain survival and growth. However, research has found that many international joint ventures fail. This dissertation investigates the subjective factors that affect the effectiveness of international construction joint venture between contractors. The factors investigated were the joint venture objectives, the partner selection criteria, internal and external factors. The dissertation also examines the obstacles to a joint venture and sentiments of forming one. Data was collected from a sample of the construction firms involved in general building works. Some difficulties were encountered in the data analysis.

The objectives of contractors forming a joint venture were found to be getting business connections and competition strategy. Their likely partners would possess financial capability, technical expertise and good track record. The obstacles of forming a joint venture were the financial commitment to be made by the contractor and the lack of a suitable partner. Contractors preferred foreign firms in an overseas venture. Next, this study found that the 4 factors mentioned above were related to the perceived effectiveness of the joint venture. Factors explaining the model of effectiveness of joint ventures were established. The factors together explained 100% of the variance in the perceived effectiveness of the joint venture.

Keywords: Strategic alliances, International joint ventures, Construction, Effectiveness.