

**CRITICAL ISSUES IN CONSTRUCTION JOINT  
VENTURES IN SRI LANKA**

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M.Sc/PG Diploma in Construction Law & Dispute Resolution

(2014/2015)

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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**

Joint venture (JV) has become a common business form for construction contractors in undertaking large construction projects worldwide. However, most of studies found that construction joint ventures (CJVs) can be failed due to several issues such as, unclear partner roles, unequal risk sharing, misunderstanding of practices etc. Hence, a necessity was emerged to conduct this research with the purpose of determining the issues which are critical for construction joint ventures in Sri Lanka in order to propose probable attributes to overcome.

Accordingly, thirty six issues in CJVs were determined through literature review and preliminary survey. The identified factors were evaluated by conducting a questionnaire survey with respect to the quantitative approach. Thus, the survey was conducted among the forty professionals who are engaged in CJVs in Sri Lanka and having a detailed knowledge and more than five (05) years of experience in the relevant field. The data collected through survey was analysed by using Mean Weighted Rating, Relative Importance Index and Box plot techniques to identify the issues which are critical in CJVs in Sri Lanka.

As the results denoted, twenty five critical issues were determined. Among them, not having formal guideline for partner selection and entering to JVs based only on qualification/resources issues were obtained highest rankings. Facing unavoidable events, leakage of information to outside parties and failures with respect to their political, social, legal and government procedures and no proper way to deal with additional installments were identified as least critical issues. Further verifications obtained through the visualization of box plots showed that not having formal guideline for partner selection has obtained the top ranking issue in CJVs in Sri Lanka with a high level of agreement among the survey respondents. Finally, the probable strategies were proposed to overcome the critical issues in CJVs in Sri Lanka. As the main implication of this research, the evaluation of issues of CJVs and the proposed strategies can be used by industry practitioners as a basis to evaluate the current status of CJV projects in order to initiate the successful CJVs in Sri Lanka.

**Key Words:** *Local Joint Ventures, Critical Issues, Construction Industry, Sri Lanka*

## DEDICATION

I dedicate this piece of research to

***MY BELOVED FAMILY...***

Who encouraged me

Providing emotional and spiritual effort

In this endeavour....

## **ACKNOWLEDGEMENT**

This research study would not be possible without the assistance and dedication of numerous individuals and organisations. Therefore, I take this opportunity to convey my gratitude to all of them who contributed in plentiful ways to complete this study.

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## **LIST OF ABBREVIATIONS**

CJV – Construction Joint Venture

IQR – Inter Quartile Range

JV – Joint Venture

MWR – Mean Weighted Rating

RII – Relative Importance Index