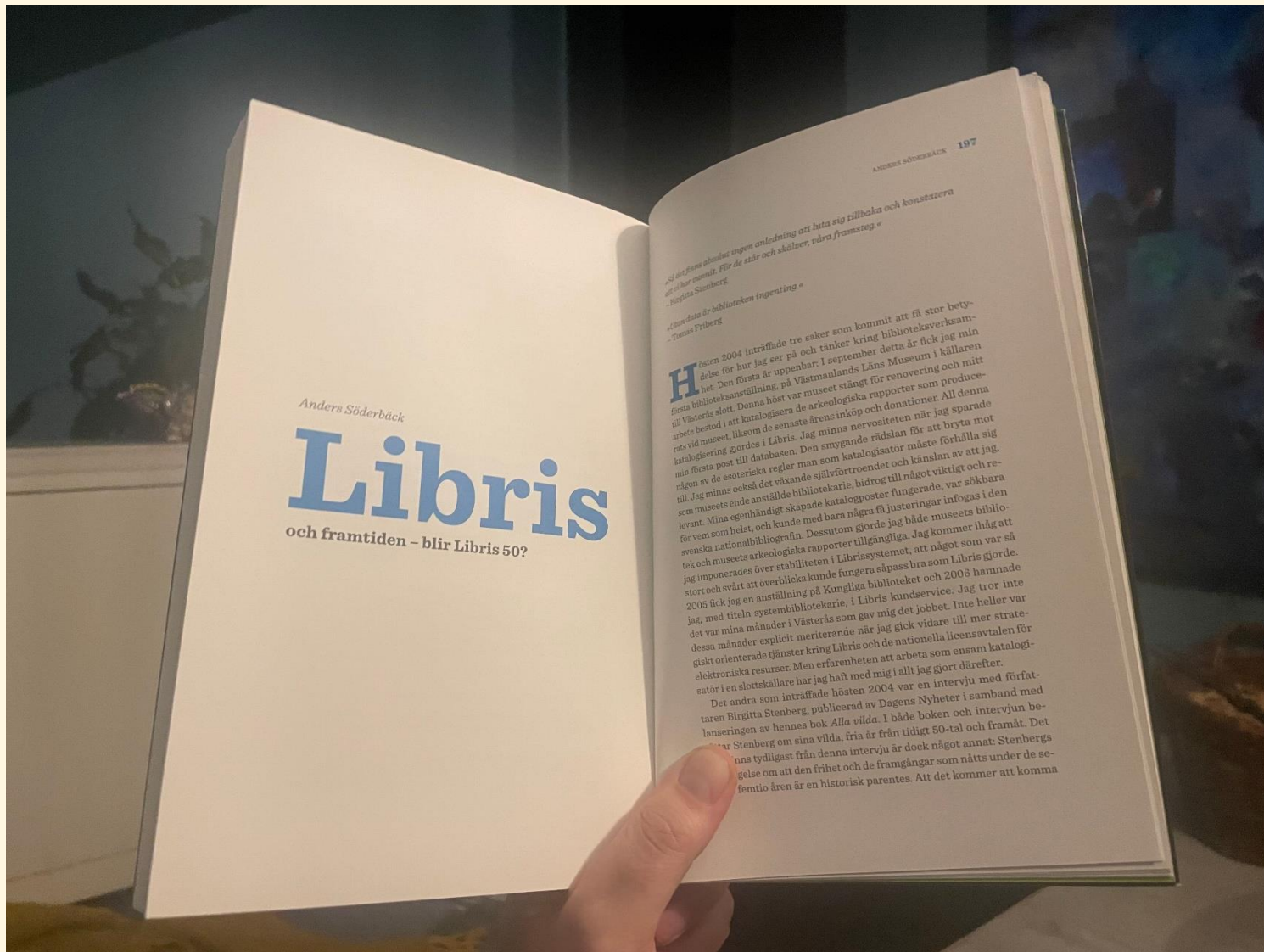


# Libris 50 år!

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Öppenhet är viktigare än fullständighet

Kompetens är viktigare än rationalisering

Samarbete är viktigare än centralisering

”If you want to go far, go alone. If  
you want to go fast, go together.”

- Antagligen inte ett afrikanskt ordspråk

”Comment voulez-vous gouverner  
un pays où il existe 258 variétés de  
fromage?”

- Charles de Gaulle

# Impacts of Governance Structure Strategies on the Performance of Construction Joint Ventures

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**Abstract:** In the construction industry, construction joint ventures (CJVs) have become one of the major organizational forms utilized in large-scale projects. However, because of the complexity of CJVs, the management of CJVs is much more difficult than that of usual projects undertaken by a single construction firm. Ineffective management and cooperation in JVs usually lead to poor performance. This study aims to investigate the performance impacts of governance structure strategies. In particular, this paper addresses two issues by empirical examining: (1) the relationship between governance structure fit and CJV performance, and (2) whether jointly managed JVs (JMJs) and separately managed JVs (SMJs) perform equally well while holding the same level of governance structure fit. First, it is confirmed that governance structure fit has significant positive impacts on CJV performance. Second, it is found that JMJs perform slightly better than SMJs, all else being equal. Strategy implications based on the empirical results are also proposed and discussed in this paper. This paper contributes to the construction management literature by providing empirical evidence on the importance of governance structure fit and on the relative performance impacts of JMJs and SMJs. The results may also help practitioners by providing the guidance for organizational governance choices in CJVs. DOI: [10.1061/\(ASCE\)CO.1943-7862.0000619](https://doi.org/10.1061/(ASCE)CO.1943-7862.0000619). © 2013 American Society of Civil Engineers.

**CE Database subject headings:** Organizations; Joint ventures; Construction industry.

**Author keywords:** Strategy; Organization; Joint ventures; Governance structure; Jointly managed JVs (JMJs); Separately managed JVs (SMJs).

## Introduction

Construction joint ventures (CJVs) usually refer to the collaboration that enables contractors to share money, abilities, and resources in the duration of a single project (Naylor and Lewis 1997; Morris 1998). In the construction industry, CJVs have become one of the major organizational forms utilized in large-scale or international projects. CJVs are considered to have many benefits, including reduced risk, improved quality, reduced cost, completion on time, and reduced work at the project level (Cheng et al. 2004). CJVs are also critical to global projects, whose host countries usually do not have enough

governance structures for CJVs. According to their governance structure taxonomy, two distinctive organizational forms were identified and defined for CJVs: jointly managed JVs (JMJs) and separately managed JVs (SMJs). In JMJs, all partners jointly share profits and risks and JV officers make most of the decisions for all partners to follow. Moreover, close coordination and frequent communications are extended to all levels of a JV organization. On the contrary, in SMJs, a project is divided into a few distinctive subtasks, and each partner is primarily responsible, technically and/or financially, for its assigned tasks and makes decisions directly without the formal consent from other partners. However, some

Governance Structure Mismatch!!!

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**Det är viktigare att komma framåt än att  
komma överens!**

”Alla borde utnyttja sin potential  
medan de lever.”

- Birgitta Stenberg