

Success Factors in International Joint Ventures

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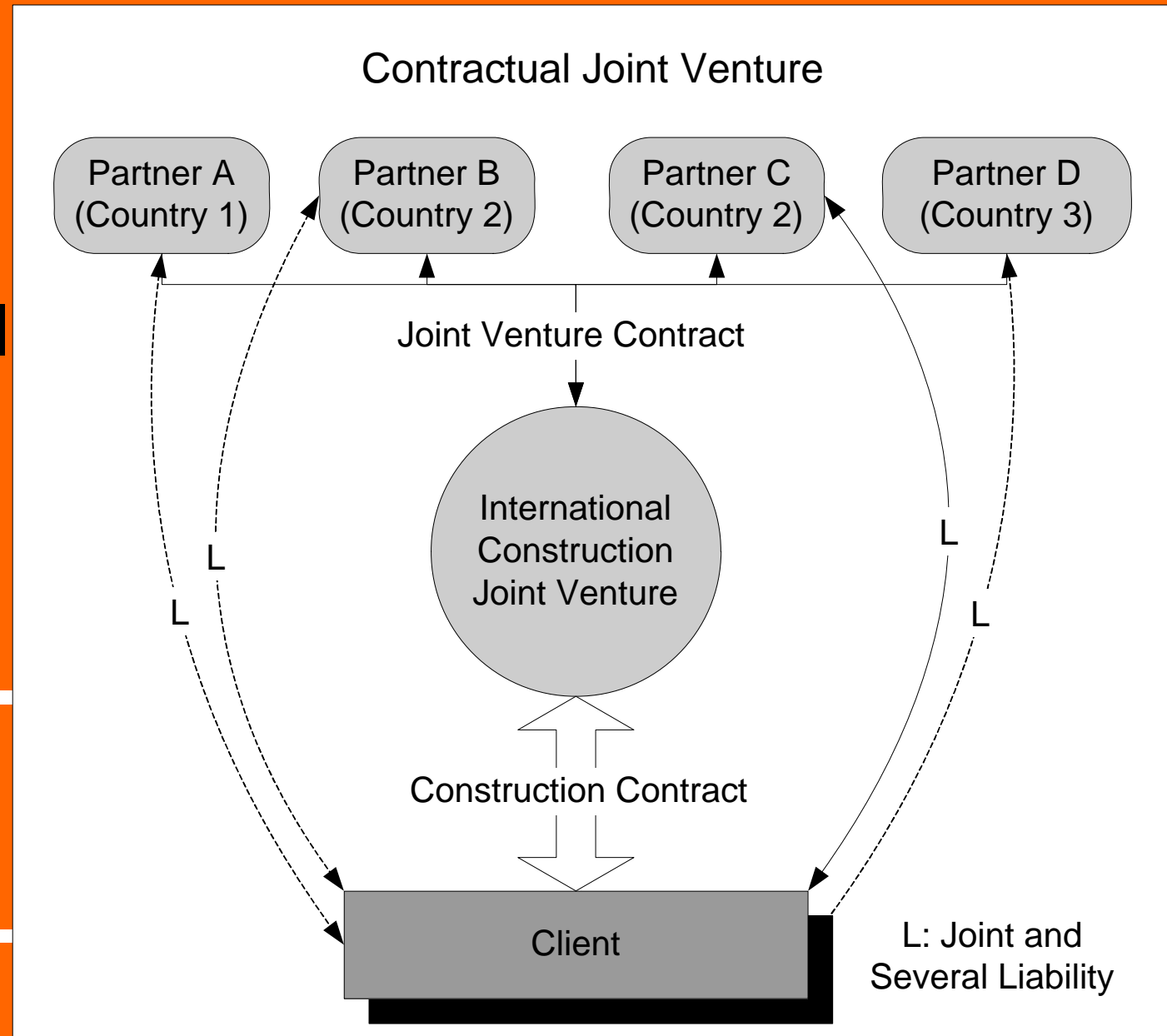
Revaluing Construction 2007

International Joint Ventures (IJVs)

- Multiorganizational
- Multinational
- In construction often formed to build megaprojects
- Partners complement each other (i.e. they have different core competences)

⇒ IJVs are structurally incoherent, yet they must perform like an orchestra.

IJV-System (contractual joint ventures)



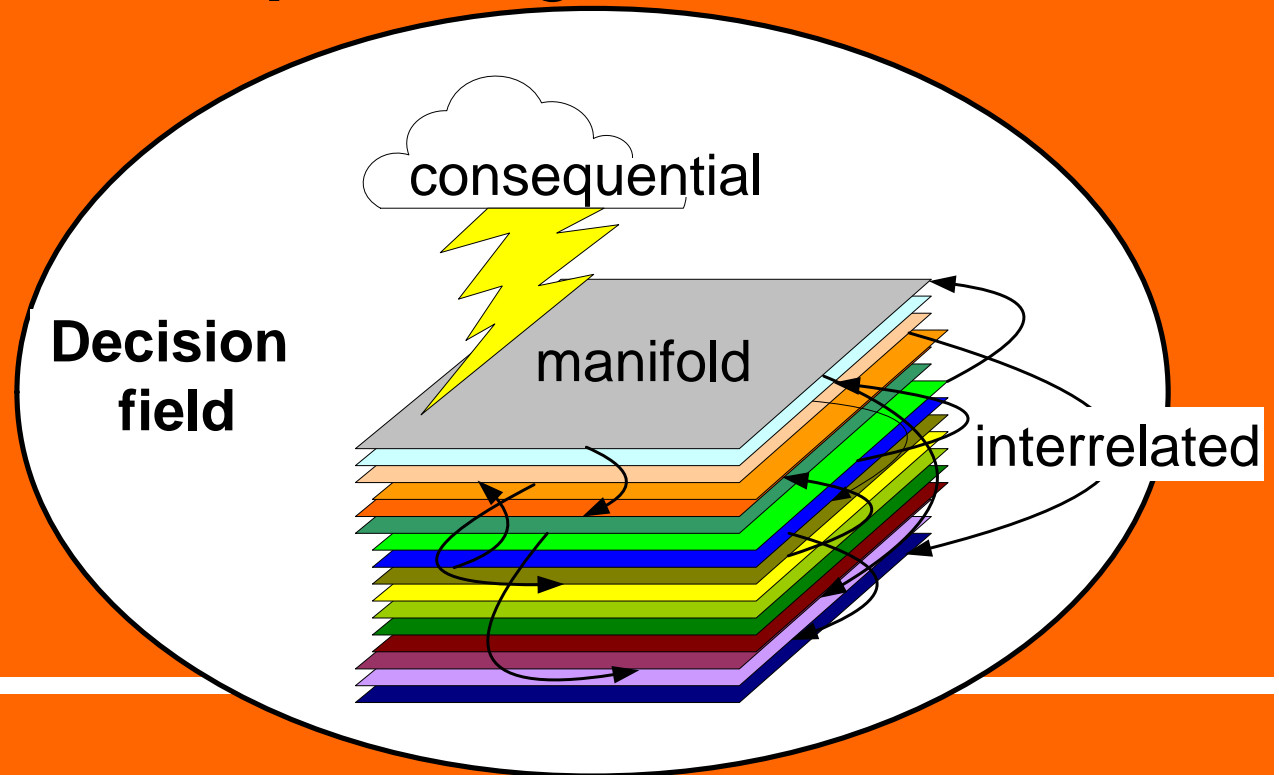
Megaprojects

- High capital cost
 - Long duration but program urgency
 - Technologically and logistically demanding
 - Multidisciplinary input from many organizations
 - Virtual enterprise
- (Hassan, McCaffer, Thorpe)

⇒ Megaprojects are complex.

Complexity

- Manifold,
- interrelated,
- consequential
- decision fields



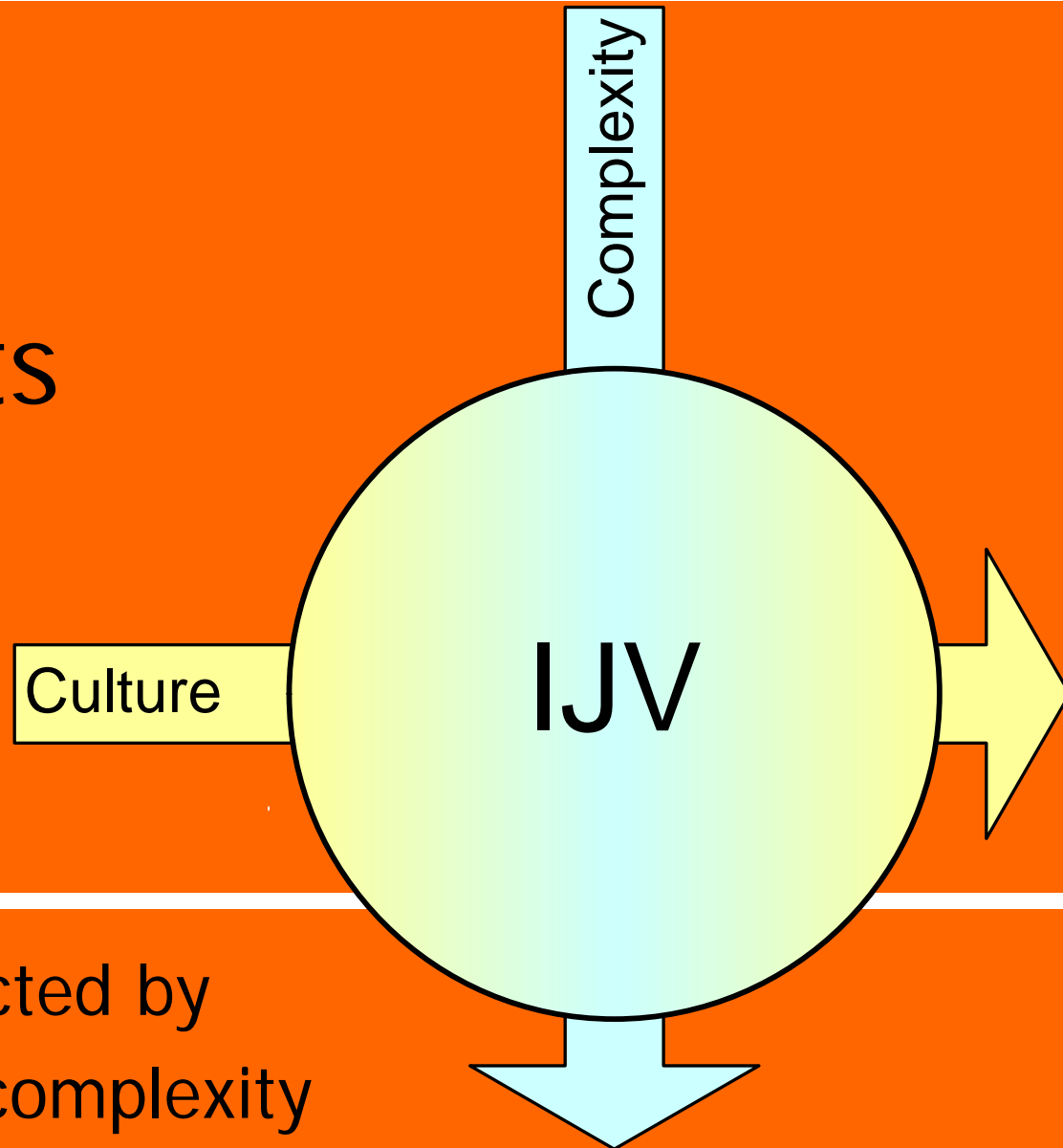
⇒ Complexity can only be reduced by decisions.

Culture

- Culture is the collective programming of the mind that distinguishes the members of one group from others (Hofstede).
- Culture helps to adapt to a specific environment by developing appropriate procedures based on mental programs.

⇒ IJVs are multicultural (national, professional, organizational cultures).

IJVs for Megaprojects



⇒ IJVs are impacted by
culture and complexity

The Task for IJVs (Simile)

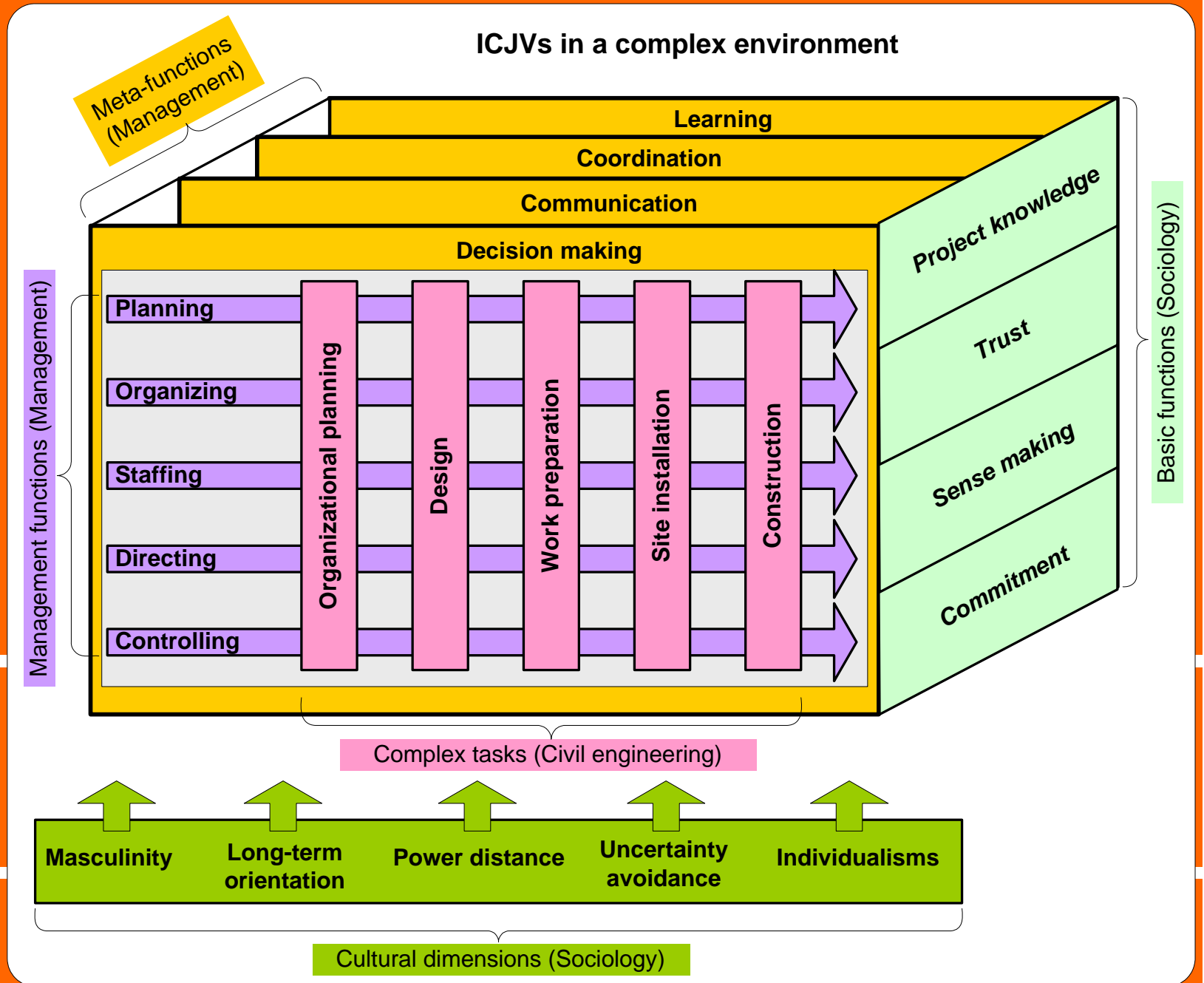


- Perform Mahler's Symphony No. 8 (eight soloists double choir, orchestra) with groups of people from around the world that have not met before and bring their own instruments and without a chance to practice.

⇒ Success in IJVs cannot be achieved by simple measures.

The Task for IJVs

Overall Model



Success of IJVs

- Balance attention between all tasks and functions of the model!
- Develop a common understanding for all tasks and functions of the model!

⇒ Answer the complexity by complex procedures

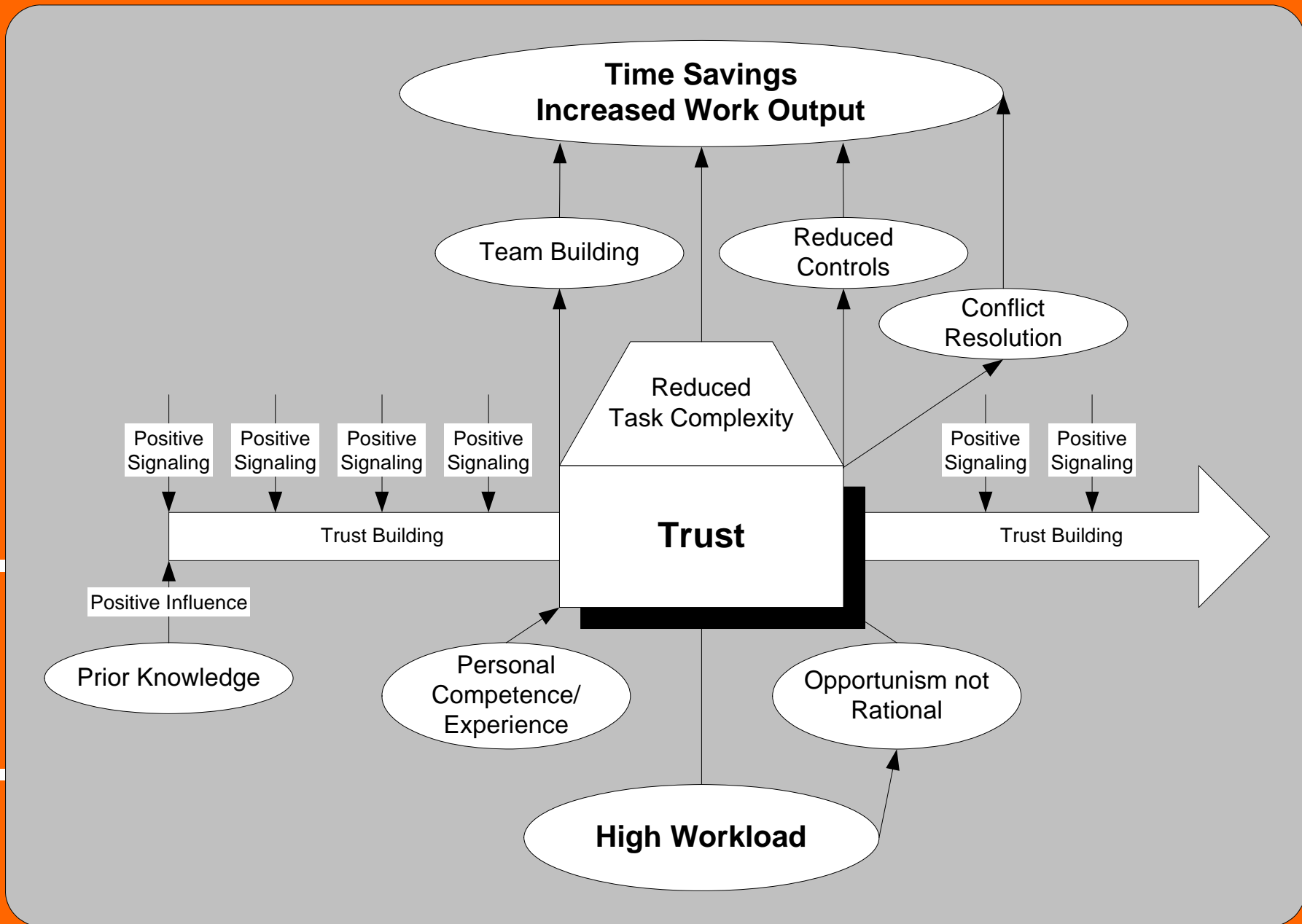
⇒ Answer cultural diversity by uniform sense making

Cognitive Maps

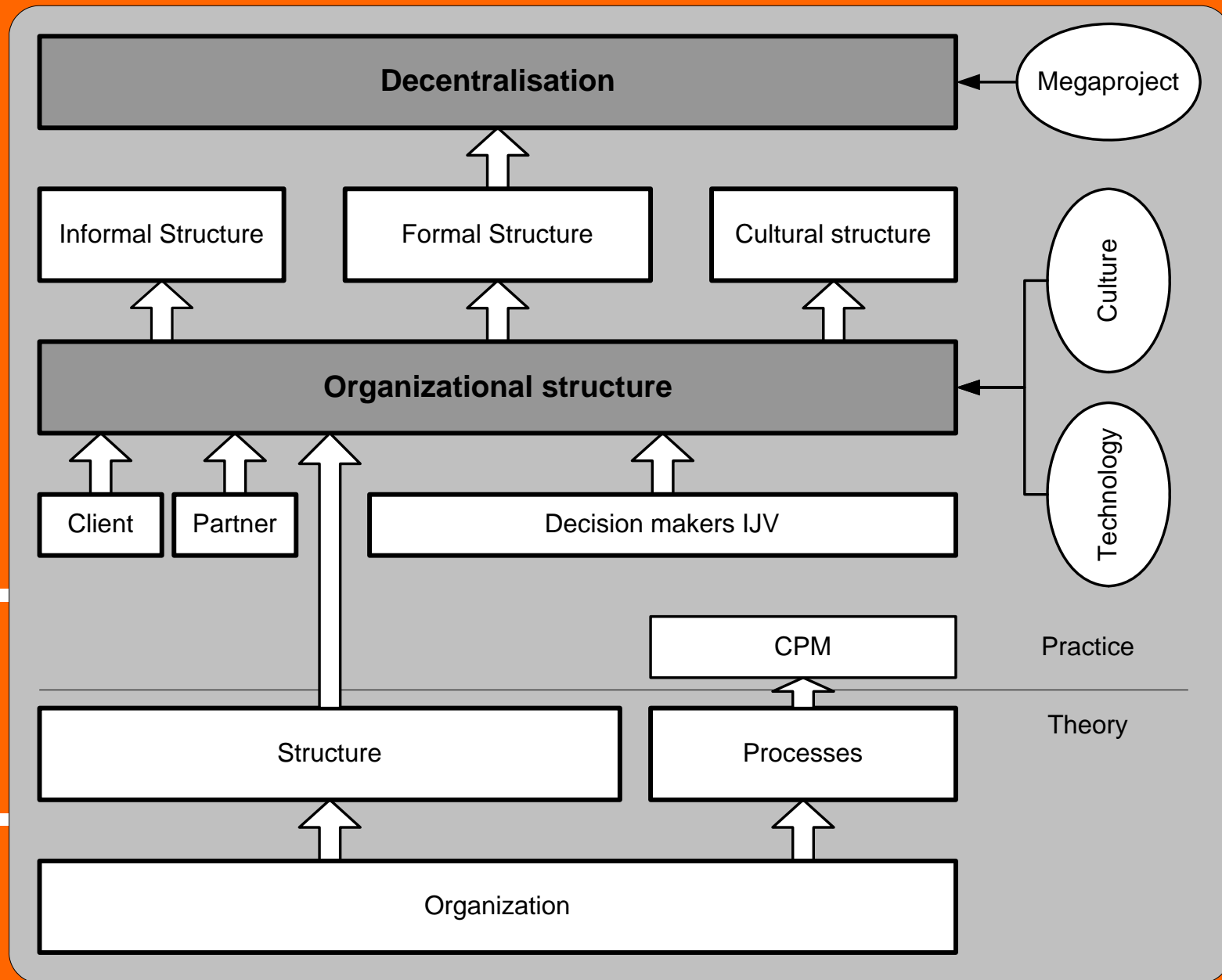
- Cognitive maps are shared ideas about a construct.
- They are incomplete, not precise, and undergoing constant change.
- Cognitive maps are connected with each other and they are formed by sense making processes.

⇒ Cognitive maps give orientation.

Cognitive Maps (Trust)



Cognitive Maps (Organization)



What's New for Researchers? (Reevaluation)

- Success factor research cannot produce elegant formulas, just interrelated cognitive maps that are products of sense making processes.
- Complexity cannot be reduced to simplicity.

⇒ In many instances qualitative research produces more meaningful results.

What's New for Practitioners? (Revaluation)

- Management solutions cannot be found outside the group of practitioners.
- Research in management can only clarify, elucidate and evaluate practices (non-normative).

⇒ Management research must be applied, using the cognitive maps and language of practitioners.