

DETERMINANTS OF JOINT VENTURE (JV) SUCCESS IN THE OIL AND GAS INDUSTRY IN GHANA: THE MODERATING EFFECTS OF OBJECTIVES ALIGNMENT AND ORGANISATIONAL LEARNING CAPABILITY.

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Abstract

Joint Ventures (JVs) are necessary for the petroleum industry for sharing capital risk and knowledge due to the complex and capital-intensive nature of exploration and development. Under Ghana's petroleum regulations, JVs are expected to facilitate expertise development and technology transfer to improve the capability and competitiveness of local firms. The JVs have not been successful in this regard yet there is no systematic research that assesses this problem in the Ghanaian context.

The study objectives are (1) to examine the effect of management capability, managerial control, governance control, regulatory controls and strategic controls on JV success; (2) to investigate the moderating role of organisational learning capability on the relationship between the determinants and JV success; and (3) to assess the extent to which the alignment of the objectives of JV partners will moderate the relationship between the determinants of JV success.

The mixed-methods approach using both quantitative and qualitative methods was employed. A total of 400 employees of firms involved in JVs were sampled for the quantitative whiles 10 senior staff and management were used for the qualitative case study aspect. The researcher used structural equation modelling to assess the relationship between the predictors, moderators and. Out of 12 hypotheses, 5 were accepted. Structural equation modelling was used to find the relationship between the

constructs.

Among others, the study proposed that JVs can be successful with strict management controls, collaborative capabilities, JV partner strategy alignment processes and clear risk identification and mitigation strategies. Based on the results, there is the need to encourage generalization by increasing the sample size and the population to give wider coverage. Researchers could also do in-depth research into the supporting predictors and how they impact the success of JVs.

Keywords: Join Venture Success, Management Capability, Managerial Control, Governance Control, Regulatory Control.