

Cultural change in construction partnering projects: the role of Leadership

N. Thurairajah, R. Haigh, R.D.G. Amaratunga
Research institute for Built and Human Environment,
University of Salford, M7 1NU
E-mail: N.Thurairajah@pgr.salford.ac.uk

Abstract

In recent years there has been a growing interest in the use of partnering in construction. Since partnering is seen as changing behaviours and attitudes, cultural transformation cannot be forgotten in the process. Much of the literature tends to presume that cultural alignment is a prerequisite for partnering. Furthermore, the existing research fails to adequately address the complex relationship between individual or group behaviour and organisational culture which, nevertheless lies at the heart of many prescriptions for improving collaboration within the industry.

This paper initially reviews the major cultural and behavioural challenges and their root causes in construction partnering projects. Many commentators place considerable emphasis upon the importance of changing attitudes and cultural transformation to address various challenges in construction partnering. As the first step, this paper proposes cultural web to understand organisational culture. Furthermore this research attempts to identify a substantial range of the elements which must be managed if a strategic and cultural change is to be successful. In this context, a model for the process of cultural change is proposed.

Keywords: Partnering, Cultural transformation, Cultural web, Leadership.

1. Introduction

In recent years there has been a growing interest in the use of partnering in construction [1] [2] [3]. Partnering and the related forms of collaboration have been seen as a way of dealing with the fragmentation and lack of integration that have bedevilled attempts to improve project performance over the years [4]. This represents perhaps the most significant development to date as a means of improving project performance, whilst offering direct benefits to the whole supply chain [2] [5]. Many commentators argue

that partnering can have a substantial positive impact on project performance, not only with regard to time, cost and quality objectives, but also with regard to more general outcomes such as greater innovation and improved user satisfaction [6] [7] [8] [9].

Partnering has been defined as ‘a long term commitment between two or more organisations for the purpose of achieving specific business objectives by maximising the effects of each participant’s resources [4]. While there is an agreement about this overall philosophy of partnering, there are varying views on its features. This includes wide range of concepts capturing culture, behaviour, attitudes, values, practices, tools and techniques. Despite the fact that commentators place considerable emphasis upon the importance of changing attitudes, improving interpersonal relationships and transforming organisational cultures, very little of the research has explored in the social and psychological aspects associated with the successful integration of partnering [4] [2] . The discussion in this paper revolves around the challenges of construction partnering and the necessity of leadership for cultural transformation.

2. Concepts of partnering

According to Naoum [10] partnering is a concept which provides a framework for the establishment of mutual objectives among the building team with an attempt to reach an agreed dispute resolution procedure as well as encouraging the principle of continuous improvement. Thus partnering is intended to reduce the adversarialism which is said to be typical in the industry and which has confounded previous attempts to encourage better integration and cooperation between contractual partners [6] [11] [12]. Similarly, partnering has also been defined as management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participant’s resources based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements [13].

Furthermore, mutual trust and understanding of each others’ commitments appears to be the prerequisites of changing traditional relationships to a shared culture in partnering [9] [10]. Bresnen and Marshall [4] reinforce the requirement for the change in attitudinal and behavioural characteristics to achieve mutual trust. Barlow et al. [14] succinctly argues that, to achieve mutual trust, organisations must ensure that individual goals are not placed ahead of the team alliance. He also supports the idea of “gain-sharing” which effectively relates improvements back to all the participants. All these point out that, partnering is built upon the attitudinal and behavioural characteristics of participants which lead towards mutual trust to move away from traditional adversarial culture of construction industry.

3. Benefits attributable to partnering

Several studies indicate that there is little doubt about the positive aspects of partnering arrangements [2]. Bennett and Jayes [7] suggests that performance, in terms of cost, time, quality, build-ability, fitness-for-purpose and a whole range of other criteria, can be dramatically improved if participants adopt more collaborative ways of working. Furthermore they illustrate the ways to create undefined win-win relationships which involve a sophisticated strategy and require a willingness to improve the joint performance. Their research cites a remarkable potential savings of 40–50% in both cost and time [2]. However the benefits were often cited in terms of cost and time [10] ignoring the other benefits to the team players, which are more difficult to assess. This section briefly identifies and illustrates the common benefits of partnering cited in various partnering related literature.

Most of the research lists cost savings as the main advantage in employing partnering in construction. Chan et al. [15] suggests that partnering has great potential to improve cost performance and reduce the risk of budget overruns. There are many reasons quoted for better cost performance, such as: alleviating rework; reducing scheduled time; heightening involvement of team members; improving trust; reducing scope definition problems; opening communication; lowering change order rates; eliminating blame shifting [15]. Furthermore, Black et al. [16] believe that medium to long-term relationships compress the normal learning curve and thereby reduce the normal costs of developing and supporting productive relationships between the parties. Also partnering is attributed for lower administrative cost by eliminating defensive case building [17].

Working with suppliers can enhance the ability of the organisation to meet the client's programme, quality, flexibility and cost requirements. According to [16], one of the key benefits of partnering is the resultant synergy between project participants, enabling constant improvement in the key variables. In particular, the early involvement of contractors in the design stage can assist in constructability input and maximising value engineering, thus improving both cost and schedule [4]. Also, a fair and equitable attitude from project participants jointly resolves many disputes, discrepancies and changed conditions which arise during construction. Gransberg et al. [15] found that fewer numbers of liquidated damages were imposed on the partnered projects than the non-partnered ones.

According to Chan et al. [15], an effective partnering agreement improves project quality by replacing the potentially adversarial traditional relationship and case building with an atmosphere that fosters a team approach to achieve a set of common goals.

Partnering also provides a way for all parties to develop continuous improvement. With this joint effort and long-term focus barriers to improvement are eliminated. Hellard [17] suggests that partnering can increase the potential for innovation by encouraging partners to evaluate advanced technology for its applicability. These in turn produce high quality construction and service and reduce engineering rework [16] [18]. As one of the other quality benefits, the safety performance can be improved as partners better understand each other, taking joint responsibility to ensure a safe working environment for all parties [15].

As the partnering literature points out, a mechanism for problem solving is an inherent part of the concept [15]. Thus partnering aims to reduce adversarial relationship that will allow focus on mutual goals to the benefit of both parties [16] [10]. This encourages mutual trust and gain sharing which will result in closer relationship, providing a better environment for the project [15]. Improved customer focus and joint satisfaction of stakeholders are achieved through this. However, there is a tendency within the partnering literature to concentrate on success stories [2]. Conflict and failure could occur by a fundamental deviation in goals, especially in relation to accountability, thus hindering all cooperation that may have been attained by the partnering process [19]. There is case evidence of the failure of partnering to meet performance expectations in construction [9]. Thus it is important to adequately address and evaluate the challenges and potential problems in construction partnering.

4. Partnering challenges and problematic issues

The concept of partnering, overhauls the ethics of traditional contracting with the paradigm shift towards cooperative and caring environments. According to Naoum [10] successful partnering could attain win - win solution and gain sharing. In general, with a cultural shift in attitudes project partnering can be successful and bring benefits to the stakeholders involved in the project partnering process [19]. However, changing traditional relationships to shared culture requires mutual trust and dedication to common goals [1] [2]. An absence of mutual trust and scepticism within participants may result in various problematic issues.

According to Lendrum [19] a lack of open and honest communication may lead to degradation in the stakeholders' ability to efficiently resolve any problems. Thomas et al. [19] identified lack of empowerment and technical knowledge from client's side and usage of competitive tendering, failure to include key suppliers and subcontractors together with lack of training as some of the main problematic issues in partnering projects. They successfully argued the role of client as the head facilitator of the

partnering arrangement to take a leadership role, and ensure full commitment and correct facilitation throughout the entire duration of the projects. It was identified that the majority of problematic issues experienced in project partnering arrangements was related to the commitment provided to the attitudinal change and procedural implementation required in efficient project partnering [19].

As discussed, central to any successful partnering arrangement is the change in attitudinal and behavioural characteristics towards mutual trust and understanding. Green and McDermott [4] argue the attitudes and the behaviour evident in the construction industry are deeply ingrained and that it is difficult to engineer any rapid movement away from such an embedded culture. According to Li et al. [18] partnering requires a long-term strategic plan with cultural change intervention in order to move beyond a traditional discrete project nature. In effect, the development of trust between organisations is seen as a function of the length of the relationship between them, and the mechanisms that led to this alignment are viewed largely as informal. On the other hand, researchers believe that it is possible to bring about change over the timescale of a single project suggesting the view that partnering can be engineered and does not have to evolve naturally [8] [4]. Despite the separation between informal developmental and formal instrumental views to alter the behaviour, behaviour is considered as the result of conscious choices and actions and a complex interplay between structural imperatives and their subjective interpretation and enactment [4].

Since partnering is seen as changing behaviours and attitudes, cultural transformation cannot be forgotten in the process. Much of the literature tends to presume that cultural alignment is a prerequisite for partnering. However, it is certainly not easy to bring about cultural change to adopt a new set of behaviours as a consistent way of working among the people. Atkinson [20] identified fear, perceived loss of control, difficulty in learning to do the things differently, uncertainty, addition in work and unwillingness to commit as the reasons for people to resist change. Hill and McNulty [21] portray fear and uncertainty as the main barriers to change. Conceptualisation of the relationship between partnering and culture [4], resistant to change from traditional, adversarial and exploitative ways [12], Lack of corporation based upon fundamental differences in interests between the parties to contract, profitability and uncertainty issues, unwillingness to commit fully to close, long term relationships together with the construction industry perception of mistrust [22] can be considered as some of the reasons to resist cultural change towards collaborative relationships. Therefore it is very important to understand the culture and values of the industry to overcome these barriers to change.

5. The Concept of Culture

Schein [23] defines organisational culture as the ‘basic assumptions and beliefs that are shared by member of an organisation, that operate unconsciously and define in a basic taken for granted fashion an organisation’s view of itself and its environment’. So expectations and strategy are rooted in ‘collective experience’ and become reflected in organisational routines that accumulated over time. Culture is also shaped by ‘work based’ groupings such as an industry or profession [24]. This cultural influence is better understood as the influence of the ‘organisational field’. An organisational field is a community of organisations that partake of a common meaning system and whose participants interact more frequently with one other than with those outside the field [24]. Therefore it is important to understand both the organisations comprising the field and the assumptions they adhere to.

Organisations within a field such as construction tend to cohere around common norms and values. Several industry commissioned reports shares this view, where problems such as low and unreliable demand and profitability, lack of research and development, inadequate investment in training, its current approach to the usage of tender price evaluations, an adversarial culture and fragmented industry structure, are widely recognised [6] [11] [25] [13] [26]. Successive independent reviews of construction have emphasised the need to improve the culture, attitude and working practices of the industry. As argued above, it is very important to understand the construction organisations and their underlying assumptions to make these attitudinal and cultural improvements in the construction industry. However trying to understand culture is not straight forward. The day-to-day behaviours not only give clues about the ‘taken-for-granted assumptions’ but are also likely to reinforce these assumptions.

Schein [23] shows that culture can be analysed at several different levels, with the term level meaning the degree to which the cultural phenomenon is visible to the observer. These levels range from the very tangible overt manifestations that one can see and feel to the deeply embedded, unconscious, basic assumptions. In between these layers are various espoused beliefs, values norms and rules of behaviour that members of the culture use as a way of depicting the culture to themselves and others. Schein [23] conceive culture as consisting of three major levels; artifacts, Espoused beliefs and values and basic underlying assumptions. While artifacts represent the visible organisational structures and processes, espoused beliefs and values symbolise strategies, goals and philosophies. However to get a deeper level of understanding or to predict the future behaviour correctly one must attempt to get at its shared basic assumptions and taken for granted perceptions. Leadership is originally the source of the beliefs and values that get a group moving with its internal and external problems [23]. Once leader’s proposals continue to work, they gradually come to be shared

assumptions of organisational culture. As such, it is important to understand the concepts behind leadership to initiate a successful cultural change.

6. Leadership of Cultural Change

Discussions relating to leadership and leadership effectiveness were found in writings of ancient Greece and Chinese philosophers [27]. Given such a far-reaching history, it would seem that there should be some clear and consistent definition of leadership. However, there has been no consistent definition of leadership. According to Yukl [27], Leadership has been defined in terms of individual personality traits, leader behaviours, responses to leader behaviours, interpersonal exchange relationships, interaction patterns, role relationships, follower perceptions, task goals, organisational culture, and nature of work processes.

As leadership research has grown and expanded, an even broader look at leadership has emerged: a focus on the organisational culture. According to Schein [23], for leaders to be effective issues related to the culture must be clearly identified. Leaders must be able to adapt to change, depending on the culture, as the environment shifts and develops [28]. In one study it was found that organisations that have tried to resist change in the external environment have experienced more difficulties than organisations that have responded positively to change. However, the application of these ideas is difficult, in part due to the organisational specificity of culture and the difficulty in defining and understanding culture [28]. The cultural web [24] is a useful tool to attain rich source of information about an organisation's culture.

The concept of the 'cultural web' is a representation of the taken-for-granted assumptions, or paradigms of an organisation and the behavioural manifestations of organisational culture [24]. It arose from the belief that understanding and characterising both the culture and subcultures within an organisation could help to predict how easy or difficult it would be to adopt new strategies [29]. This concept defines organisational culture as layers of values beliefs and taken-for-granted assumptions. Figure 1 shows the elements of cultural web which bonds the taken-for-granted assumptions and organisational life.

A detailed map produced by the cultural web would expose a rich source of information about an organisational culture. This understanding of present taken-for-granted assumptions can be used to identify areas to be modernised and transformed to facilitate behavioural and cultural change in construction partnering projects. Comparison of cultural webs of 'parties to partnering contract' can also reveal the requirements to form

cultural alignment between the parties. Loizos [30] argues that cultural web not only helps to clarify main and subconscious cultural, structural and procedural characteristics of an organisation but also helps to show which values, beliefs and artefacts need to adapt to a new strategic direction and which ones should be maintained and strengthened. Also it represents a substantial range of the elements which must be managed if a strategic and cultural change is to be successful.

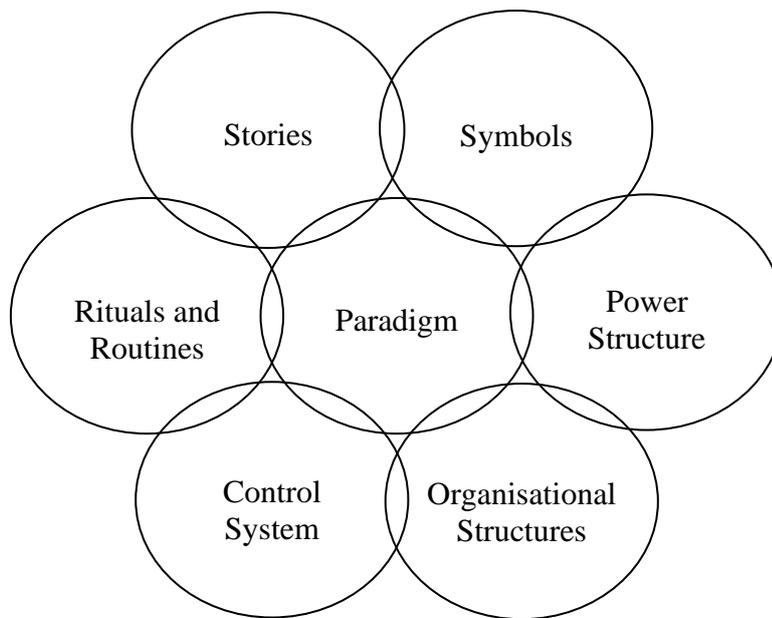


Figure 1. The cultural web [24]

Together with the understanding of current state of culture, management has the most significant role to play in the transformation of attitudes. Two imperatives in the management of cultural change are the leadership's ability to think culturally and to conceptualise, via a working model, the change process [31]. Johnson et al. [24] propose three prolonged approach to change management: that is a focus on power and politics of acceptance, management of symbolic processes and the concurrent management of organisational routines (see Figure 2).

In order to effect change powerful support is required from an individual or group combining both power and interest. To achieve this, a reconfiguration of power structures may be necessary, especially if transformational change is required. Johnson et al. [24] propose manipulation of organisational resources, relationship with powerful stakeholders and elites and activity with regard to subsystems in the organisation as the mechanisms to build a power base and to achieve commitment to a course of action. Furthermore, it is argued that changing symbols can help reshape beliefs and expectations because meaning becomes apparent in the day-to-day experience people have of organisations [24]. Changes in physical aspects of work environment, rituals, organisational structure, control mechanisms, stories and especially changes in the

behaviours and language used by strategic leaders themselves are considered as powerful symbols of transformation. However, well established routines can be serious blockages to change. Routines are closely linked to the core values of the paradigm, so changing routines may have the effect of questioning and challenging deep rooted beliefs and assumptions of an organisation. This requires persistence and political acumen.

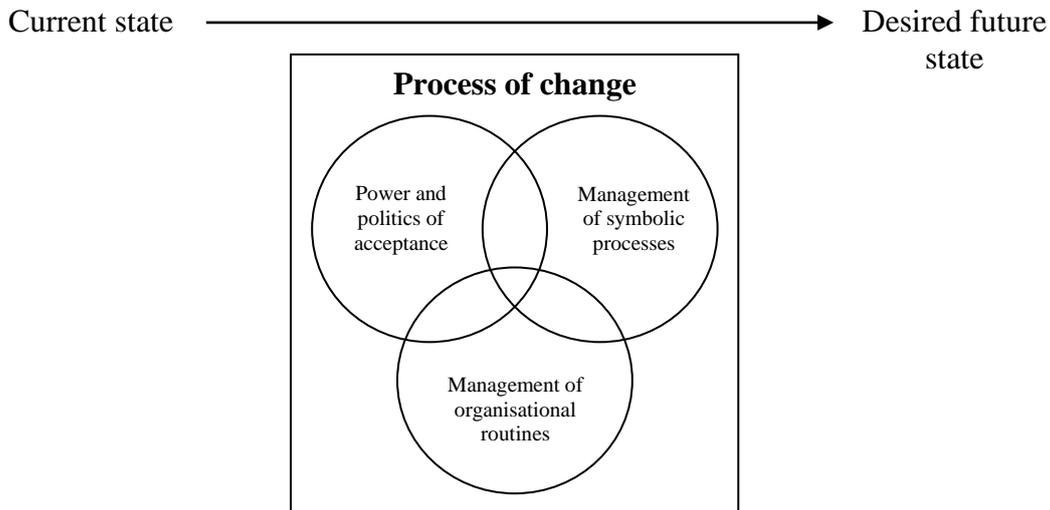


Figure 2. The process of change

This seems very complicated in the context of partnering since the cultural alignment requires to be extended to the parties of partnering charter. It is certainly not easy to bring about cultural change to adopt a new set of behaviours as a consistent way of working among the people. Bresnen and Marshall [4] stress the importance of decentralised, flexible structures, where the team is expected to operate with considerable autonomy and discretion to convert formal partnering arrangements into real differences in behaviour at operational levels. They insist on top management support, commitment and enthusiasm in generating and sustaining changes in collaborative approaches. Furthermore, Deal and Kennedy [32] encourage managers on conveying two-way trust in all matters of change and training as a part of change process to take on challenge of change. Cultural change is therefore a sensitive issue and it is very important to lead the whole process all the time.

7. Conclusion

Mutual trust and understanding of each others' commitments appears to be the prerequisites of changing traditional relationships to a shared culture in partnering. . However, it is certainly not easy to bring about cultural change to adopt a new set of

behaviours as a consistent way of working among the people. Lack of corporation based upon fundamental differences in interests between the parties to contract, profitability and uncertainty issues, unwillingness to commit fully to close, long term relationships together with the construction industry perception of mistrust can be considered as some of the reasons to resist cultural change towards collaborative relationships. It is very important to understand the culture and values of the industry to overcome these barriers to change. Cultural web presents a platform to understand paradigms of an organisation and the behavioural manifestations of organisational culture. Together with the understanding of current state of culture, management has the most significant role to play in the transformation of attitudes. Focus on power and politics of acceptance, management of symbolic processes and the concurrent management of organisational routines are the three main approaches which need to be combined to form an integrated and purposeful leadership endeavour. Also this mechanism should encourage leaders on conveying two-way trust in all matters of change and training as a part of change process to take on challenge of change. Cultural change is a sensitive issue and it is very important to the change agents to lead the whole process, all the time.

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