

Addressing the Challenges Associated with Construction Partnering Projects: Leadership of a Cultural Change

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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 benefits, critical success factors and major cultural and behavioural challenges 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. Together with the understanding of current state of culture, management has the most significant role to play in the transformation of attitudes. As such, paper explores the leadership perspective of cultural transformation in construction partnering.

Keywords: Cultural and Behavioural Challenges, Cultural Transformation, Leadership, Partnering

1. Introduction

In recent years there has been a growing interest in the use of partnering in construction (Bresnen and Marshall, 2000a; Dainty et al, 2001; Wood and Ellis, 2005; Ingirige, 2004). 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 (Bresnen and Marshall, 2000a). 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 (Latham, 1994; Bennett and Jayes, 1998; Bennett et al., 1996; Bresnen and Marshall, 2000c).

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 (Bresnen and Marshall, 2000a). 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 (Bresnen and Marshall, 2000a; Wood and Ellis, 2005). According to Schein (2004), leadership is originally the source of the beliefs and values and successful proposals of leader's gradually come to be shared assumptions of an organisational culture. Therefore management has the most significant role to play in the transformation of attitudes. 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 (2003) 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 (Latham, 1994; Egan, 1998; Bresnen and Marshall, 2000b). 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 (NAO, 2001).

Furthermore, mutual trust and understanding of each others' commitments appears to be the prerequisites of changing traditional relationships to a shared culture in partnering (Barlow and Cohen, 1996; Bresnen and Marshall, 2000c; Naoum, 2003). Bresnen and Marshall (2000a) reinforce the requirement for the change in attitudinal and behavioural characteristics to achieve mutual trust. Barlow et al. (1997 cited Naoum, 2003) 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 (Wood and Ellies, 2005). Bennett and Jayes (1998; Bresnen and Marshall, 2000a) 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 (Wood and Ellies, 2005). However the benefits were often cited in terms of cost and time (Naoum, 2003) 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. (2003) 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; reduction in variation; lower change order rates; maximised value engineering; reduction in costs of developing and supporting productive relationships; lower administrative and paper work; reducing scheduled time; reduction in scope definition problems, effective problem solving, and shared project risk (Albanese, 1994; Hellard, 1996; Chan et al. 2003). As mentioned, better time control and reduced dispute and litigation contribute towards improved cost performance. Furthermore, Black et al. (2000) 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.

According to Chan et al. (2003), 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 (1996) 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 (Black et al., 2000; Li et al., 2001). As one of the other quality benefits, the safety performance can be enhanced as partners better understand each other, taking joint responsibility to ensure a safe working environment for all parties (Chan et al., 2003).

Working with suppliers can improve the capacity of the organisation to meet the client's programme, quality, flexibility and cost requirements. According to Black et al. (2000), 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 (Bresnen and Marshall, 2000a). Also, a fair and equitable attitude from project participants jointly resolves many disputes, discrepancies and changed conditions which arise during construction. Gransberg et al. (1999) found that fewer numbers of liquidated damages were imposed on the partnered projects than the non-partnered ones.

As the partnering literature points out, a mechanism for problem solving is an inherent part of the concept (Chan et al., 2003). Thus partnering aims to reduce adversarial relationship that will allow focus on mutual goals to the benefit of both parties (Black et al., 2000; Naoum, 2003). This encourages mutual trust and gain sharing which results in closer relationship, providing a better environment for the project (Green, 1999; Chan et al., 2003). Improved culture enhances open communication between the project participants resulting to the elimination of blame shifting. Improved customer focus, augmented involvement of team members and joint satisfaction of stakeholders are achieved through this.

Since partnering is seen as a recipe for potential benefits, its success factors are worthy of in-depth investigation. There is a lack of attention to these critical factors that need to be addressed if partnering is to be successfully implemented as a strategy for performance improvement (Cheng et al., 2000).

4. Critical Success Factors of Partnering

Critical success factors are the key areas that are essential for management success. Cheng et al. (2000) suggested that partnering can become successful by using pertinent management skills and developing a favourable context. It is essential to create an appropriate environment in which inter-organisational relationship can flourish. Management skills are vital for effective control of the relationships. They form the basis for initiating and facilitating the partnering process. Similarly some partnering characteristics can affect the partnering relationships. In consequence, it is important to identify these critical characteristics which form the favourable context conducive to partnering success.

Breakdowns in communication and disruptive conflicts are always been a problem in construction and as a result it has become very adversarial in nature. Partnering requires timely communication of information and it encourages open, direct lines of communication among project participants (Hellard, 1995). Effective communication skills can help organisations to facilitate the exchange of ideas and visions, which can result in fewer misunderstandings and stimulate mutual trust. Similarly, effective coordination can result in achievement of stability in an uncertain environment by the creation of additional contact points between parties to share project information (Cheng et al., 2000). The other critical management skill is a 'productive conflict resolution' which can be achieved by joint problem solving in order to seek alternatives for problematic issues. Conflict resolution techniques such as coercion and confrontation are counterproductive and fail to reach a win-win situation (Cheng et al., 2000). Furthermore, regular monitoring and early implementation of partnering process are essential to ensure the success of partnering (Chan et al., 2004).

Similarly, some of the critical characteristics form the favourable context conducive to partnering by establishing interdependence and self-willingness to work for the long-lasting cohesive relationship. Most of these contextual characteristics are soft critical success factors such as, top management support, long term commitment, mutual trust, willingness to share resources and commitment to win-win attitude (Cheng et al., 2000, Chan et al., 2004, Li et al., 2005). Support from top management is always a prerequisite to initiate and lead a successful partnering arrangement. While long-term commitment is expected from involved parties to integrate continuously to weather unanticipated problems, mutual trust is critical to open the boundaries of the relationship as it can relieve stress and enhance adaptability, information exchange and joint problem solving (Cheng et al., 2000). Commitment to win-win attitude represents the open airing of problems among parties and encourages risk sharing, rewards and willingness to exchange ideas (Chan et al., 2004). This leads towards sharing of resources which can be used to strengthen the competitiveness and construction capability of a partnering relationship.

However, there is a tendency within the partnering literature to concentrate on success stories (Wood and Ellis, 2005). 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 (Thomas et al., 2002). There is case evidence of the failure of partnering to meet performance expectations in construction (Bresnen and Marshall, 2000c). Thus it is important to adequately address and evaluate the challenges and potential problems in construction partnering.

5. 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 (2003) 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 (Thomas et al., 2002). However, changing traditional relationships to shared culture requires mutual trust and dedication to common goals (Dainty et al., 2001; Wood and Ellies, 2005). An absence of mutual trust and scepticism within participants may result in various problematic issues.

According to Lendrum (1998: Thomas et al., 2002) a lack of open and honest communication may lead to degradation in the stakeholders' ability to efficiently resolve any problems. Thomas et al. (2002) 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 (Thomas et al., 2002).

As discussed, central to any successful partnering arrangement is the change in attitudinal and behavioural characteristics towards mutual trust and understanding. Green and McDermott (1996) 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. (2001) 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 (Bennett et al., 1996; Bresnen and Marshall, 2000a). 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 (Bresnen and Marshall, 2000a).

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 (1990) 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 (1998) portray fear and uncertainty as the main barriers to change. Conceptualisation of the relationship between partnering and culture (Bresnen and Marshall, 2000a), resistant to change from traditional, adversarial and exploitative ways (Bresnen and Marshall, 2000b), 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 (Cheung et al., 2003) can be considered as some of the reasons to resist cultural change towards collaborative relationships.

6. Discussion: Leadership of Cultural Change

The above literature synthesis has shown the factors affecting the success of construction partnering. While partnering can offer potential benefits, it requires careful organisation of critical success factors. Concurrently, failure to address identified challenges may hamper the performance of a project. Therefore it is important to identify the manner in which the partnering challenges can be addressed by the appropriate use of critical success factors (Figure 1).

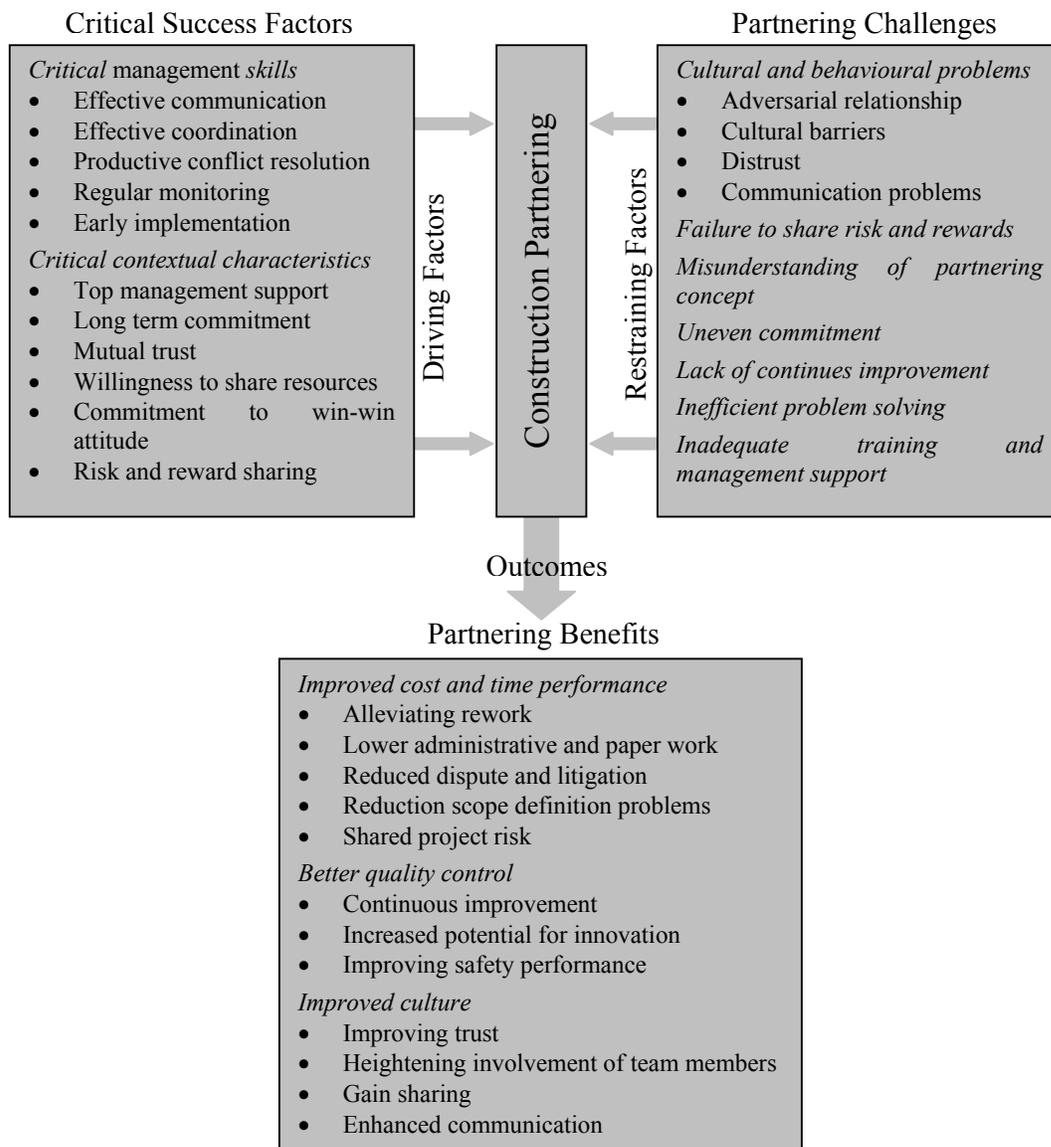


Figure 1: Overview of partnering benefits and challenges

Literature synthesis on partnering challenges and problematic issues shows the significance of cultural and behavioural challenges inhibiting the adoption of partnering arrangements. Furthermore, common to all partnering relationship is the formulation of mutual objectives, trust and an understanding of each other's commitments. However, it is less than clear about the way in which these essential cultural and behavioural characteristics are encouraged in construction partnering projects (Bresnen and Marshall, 2000a). Therefore it is essential to bring about cultural change, encouraging project participants to transgress the conflicting interests and to build shared culture.

Schein (2004) 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 (Johnson et al., 2005). Organisations within an industry 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 (Latham, 1994; Egan, 1998; Santos and Powell 2001; NAO, 2001; Fairclough, 2002). 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. 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 (Schein, 2004). Once leader's proposals continue to work, they gradually come to be shared assumptions 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. 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 (Brooks, 1996). 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. (2005) 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 (2005). 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.

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 (2000a) 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 (1998) 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. 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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