An empirical study of the cultural and behavioural challenges in the UK construction partnering

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Abstract

Partnering and the related forms of collaboration have been seen as a way of tackling fragmentation and lack of integration that has bedevilled attempts to improve project performance over the years. This represents perhaps the most significant development to date as a means of improving project performance, while offering direct benefits to the whole supply chain. Partnering can have a substantial positive impact on project performance with regards to time, cost, quality and also more general outcomes such as greater innovation and improved user satisfaction. Despite the amount of interest shown in partnering, actual empirical research is rather thin on the ground and much of the work is notable for its prescriptive tendencies and heavy reliance on anecdotal data with the focus on the experience of the exemplar organisations. 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. There is case evidence of the failure of partnering to meet performance expectations in construction. Thus it is important to adequately address and evaluate the challenges and potential problems in construction partnering. This paper looks into construction partnering challenges especially cultural and behavioural challenges in the UK. Empirical data is collected from expert opinion to find out the major partnering challenges and their root causes. Also, this paper stages arguments and discussions regarding the importance of the leadership role, in transforming culture, towards a cooperative and caring environment.

Keywords: Partnering, Cultural and behavioural challenges, Expert opinion, Leadership.

1. Background

In recent years there has been a growing interest in the use of partnering in construction [1-5]. This represents perhaps the most significant development to date as a means of improving project performance, while offering direct benefits to the whole supply chain [4, 6]. This needs a powerful change initiative to generate an appropriate project culture by reshaping the
approaches and realigning attitudes of different contracting parties [7]. Literature synthesis on partnering shows the significance of cultural and behavioural challenges inhibiting the adoption of partnering arrangements. This paper looks deep into the empirical evidence of cultural and behavioural challenges to arrive at categorised/grouped root causes of these challenges. Furthermore, common to all partnering relationships is the formulation of mutual objectives, trust and an understanding of each other’s commitments. It is, however, less than clear about the way in which these essential cultural and behavioural characteristics are tackled in construction partnering projects [2]. It is essential to bring about cultural change, encouraging project participants to go beyond the conflicting interests and to build a shared culture. 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. 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 [8, 9]. As such, management has the most significant role to play in the transformation of attitudes. The discussion in this paper revolves around the root causes of cultural and behavioural challenges in construction partnering and proposes the necessity of leadership for cultural transformation.

2. Construction partnering

The UK construction industry is one of the strongest in the world, with output ranked top amongst top global construction industries [10]. The industry produces, maintains and adapts around 60% of all fixed capital investment [11]. Thus construction in the UK is considered as one of the pillars of the domestic economy, with its capability to deliver the most difficult and innovative projects, matches that of any other construction industry in the world [12]. Nonetheless there is a deep concern that the industry as a whole is underachieving. Successive independent reviews of construction have emphasised the need to improve the culture, attitude and working practices of the industry.

Change in major projects is driven by major clients and by government, as a means to champion better performance [12-17]. Perhaps the Latham report [15] has proved to be the most significant milestone as it indicated the construction industry especially the public sector should change procedures and methods to incorporate the concept of ‘partnering’. Latham’s proposals were undoubtedly the influence of the NEDC [18] and CII [19] reports. This initiative was further reinforced by Egan [12] by pointing out that the UK construction industry languishes in the same unfavourable condition of that of the UK automobile industry in the 1960s. Partnering has been endorsed as one technique that could be easily adopted from ‘design to manufacture’ industries such as the car industry and retailing, and adapted, it has been argued, to give considerable benefits to all partners involved [20].

In the last decade there has been an enormous amount of interest in the use of partnering and to understand the factors leading to an inhibiting successful collaboration amongst construction firms [1, 4, 21, 22]. Partnering and the related forms of collaboration have been seen as a way of tackling fragmentation and lack of integration that have bedevilled attempts to improve project performance over the years [2]. It seeks to re-design relations between actors in projects by
promoting the use of collaborative, more open, less managerial and less hierarchical relationships [13]. Many commentators argue that partnering can have a substantial positive impact on project performance, not only with regard to time, cost and quality objectives. It can also impact more general outcomes such as greater innovation, improved user satisfaction and reduced confrontations between parties, thus enabling an open and non-adversarial contracting environment [15, 23-26].

2.1 Concepts of partnering

According to Moore [27], contracting relationships can be seen in a continuum with ‘spot buy’ where transactions are purely incidental at one end, whilst ‘partnering’ at the other end under which the contracting organisations function cooperatively as a team to accomplish the transaction objective. Partnership appears to be a form to encourage integration of the project team and create competitive advantages to all that participate in the project by building stronger personal relationships and trust based on goodwill and cooperation. According to Naoum [16], this concept originated in Japan and the USA in the early 1980s where team building, cooperation and equality, rather than the single-sided relationship of adversaries to a project, were encouraged. A consistent theme discerned through the early construction industry commissioned reports was of fragmentation, short-termism, a lack of trust and a lack of collaboration within the client/design/construction team [11, 12, 15, 17, 20, 28]. These shortfalls were leading to consistently low levels of performance in areas such as cost, time, quality, running costs and fitness for the end user and as a result, when partnership/partnering was first debated in the US [19, 29] it was received with a level of enthusiasm in the UK [20].

As such, partnering has steadily gained popularity from the early 1990s in the UK. Radical changes in the way that the construction industry performs and provides services to customers, particularly those in the public sector has been supported by the British Government and as previously stated, both the private and public sectors in the UK contributed towards the ‘client driven’ change [12, 15, 16]. Since then, research into construction partnering has become widespread and has been seen as a primary management strategy for improving organisational relations and project performance. However, one thing that became clear from the literature synthesis is that there are many definitions of partnering in construction.

2.2 Partnering – the definitions dilemma

An early definition of partnering came from The US Construction Industry Institute [29] where it was defined as ‘A long-term commitment between two or more organisations, for the purpose of achieving specific business objectives, by maximising the effectiveness of each participant’s resources’. It also emphasised the requirement of changing traditional relationships to a shared culture without regard to organisational boundaries, while the relationship is based on trust, dedication to common goals and the understanding of each other’s individual expectations and values. Expected benefits included improved efficiency and cost effectiveness, increased opportunity for innovations and the continuous improvement of quality products and services.
This primary concern with maximising effectiveness and efficiency opened the gateway towards new management improvement techniques [20].

However, notwithstanding these definitions, different types of partnering relationships developed in the last decade. According to Matthews et al [30], there are no fixed definitions used when defining partnering in construction although common themes/elements prevail. He also noted that goals and objectives, trust, problem resolution, commitment, continues evaluation, group working and teams, equity, shared risk, win-win philosophy, and collaboration as common elements raised in partnering literature. While there is an agreement about these elements of partnering, there are varying views on its features. This includes a wide range of concepts capturing culture, behaviour, attitudes, values, practices, tools and techniques. According to Crowley and Karim [31], partnering also can be looked at as a process/means that leads to the intended results. In that regard partnering can be defined in one of two ways:

- by its attributes - such as trust, shared vision, and long-term commitment; and
- by its process - whereby partnering is seen as a verb and includes developing mission statements, agreeing goals and conducting partnering workshops.

Perhaps the most widely accepted definition is that offered by Bennett and Jayes [24] in the seminal work ‘the seven pillars of partnering: a guide to second generation partnering’. Here, the idea of partnering revolves around three key principles applies by project teams, identified as:

- agreeing mutual objectives to take into account the interests of all the firms involved
- making decisions openly and resolving problems in a way that was jointly agreed at the start of a project, and
- aiming at targets that provide continuous measurable improvement in performance from project to project.

According to Naoum [16] 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 [12, 15, 32]. According to Li et al, [33] partnering is an establishment of an informal group among construction partners and creates non-legitimate but permanent relationships and is used to resolve disruptive inter-organisational conflicts.

Furthermore, mutual trust and understanding of each others commitments appears to be the prerequisites of changing traditional relationships to a shared culture in partnering [16, 25]. Ultimately partnering is about management of the relationship that must be trust-based [27]. Bresnen and Marshall [2] reinforce the requirement for the change in attitudinal and behavioural characteristics to achieve mutual trust. Barlow et al. [34] 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 in order to move away from the traditional adversarial culture of the construction industry.

### 2.3 Benefits attributable to partnering

Several studies indicate that there is little doubt about the positive aspects of partnering arrangements [4]. Bennett and Jayes [24] suggest 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 ways to create undefined win-win relationships that 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 [4]. However, the benefits were often cited in terms of cost and time [16] 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. [35] 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 [35-37]. As mentioned, better time control and reduced dispute and litigation contribute towards improved cost performance. Furthermore, Black et al. [38] 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. [35], 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 [37] 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 [33, 38]. 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 [35].

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. [38], 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 [2]. Also, a fair and equitable attitude from project participants jointly resolves many disputes, discrepancies and changed conditions that arise during construction. Gransberg and Dillon [39] 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 [35]. Thus partnering aims to reduce adversarial relationship that will allow focus on mutual goals to the benefit of both parties [16, 38]. This encourages mutual trust and gain sharing which results in closer relationship, providing a better environment for the project [35, 40]. Improved culture enhances open communication between the project participants resulting in 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 needs to be addressed if partnering is to be successfully implemented as a strategy for performance improvement [41].

2.4 Critical success factors of partnering

Critical success factors are the key areas that are essential for management success. Cheng et al. [41] 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 that form the favourable context conducive to partnering success.

Partnering requires timely communication of information and it encourages open, direct lines of communication among project participants [37]. 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 [41]. The other critical management skill is ‘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 [41]. Furthermore, regular monitoring and early implementation of partnering process are essential to ensure partnering success [42].

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 [33, 41, 42]. Support from top management is always a prerequisite to initiate and lead a successful partnering arrangement. Commitment to win-win attitude represents the open airing of problems among parties and encourages risk sharing, rewards and willingness to exchange ideas [42]. This leads towards sharing of resources that 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 [4]. 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 [43]. There is case evidence of the failure of partnering to meet performance expectations in construction [25]. Thus it is important to adequately address and evaluate the challenges and potential problems in construction partnering.

3. 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 [16] successful partnering could attain a 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 process [43]. However, changing traditional relationships to a shared culture requires mutual trust and dedication to common goals [3, 4, 44]. An absence of mutual trust and scepticism within participants may result in various problematic issues.

According to Lendrum [1998 cited 43] a lack of open and honest communication may lead to degradation in the stakeholders’ ability to efficiently resolve any problems. Thomas et al. [43] identified a lack of empowerment and technical knowledge from the 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 argued that the role of client as the head facilitator of the partnering arrangement should 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 were related to the commitment provided to the attitudinal change and procedural implementation required in efficient project partnering [43].

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 cited 25] argue the attitudes and 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. [33] 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 [2, 23]. Despite the separation between informal developmental and formal
instrumental views to alter the behaviour, behaviour is considered the result of conscious choices and actions and a complex interplay between structural imperatives and their subjective interpretation and enactment [2].

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 [45] identified fear, perceived loss of control, difficulty in learning to do the things differently, uncertainty, addition in work and an unwillingness to commit as the reasons for people to resist change. Hill and McNulty [46] portray fear and uncertainty as the main barriers to change. Conceptualisation of the relationship between partnering and culture [2]; resistance to change from traditional, adversarial and exploitative ways [32]; lack of cooperation 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 [26] can be considered as some of the reasons to resist cultural change towards collaborative relationships.

4. Research methodology

This study was launched as part of a Doctorial study on ‘Rethinking leadership to address cultural and behavioural challenges in construction partnering’. Phase one of this research focuses on finding out the ‘root causes of cultural and behavioural challenges in construction partnering’ with empirical evidence. A questionnaire comprising of 10 questions was constructed from the synthesis of partnering literature. Thirty-nine potential problems were elicited from various partnering research, most of which were both economically and culturally driven issues. However, issues that were not culturally driven were excluded from the study with cultural and behavioural issues amounting to 34. These issues were then integrated, based on causality, to form the basis for 10 major questions to examine the magnitude and the root causes of the identified cultural and behavioural challenges in construction partnering in the UK.

Data was collected by means of self-administered expert interviews with each question containing both a quantitative and an open ended qualitative question. A total of 10 experts were randomly selected from academics and industry practitioners. Experience on partnering work of industry experts ranged from 2 years to 10 years while academic experts were selected with a minimum of 3 years of partnering related research experience. Experts were first requested to assess the extent of the identified challenges according to a Likert scale from 1 to 5, where 1=‘very low’ to 5=‘very high’. They were then presented with an open question to express their perception on the root causes of the identified cultural and behavioural challenges. Most of the respondents were academics with industrial partnering experience and relevant partnering research.
4.1 Data analysis and results

A combination of quantitative and qualitative data analysis was carried-out in this phase to rank the collected data that gave rich details of the challenges and their root causes. Perceived root causes were rearranged with weightings taken from Likert scale to rank the root causes of identified cultural and behavioural challenges. Once again these root causes were integrated/grouped to form specific areas which leadership has to tackle to address cultural and behavioural challenges in partnering projects.

<table>
<thead>
<tr>
<th>Major cultural and behavioural root causes</th>
<th>Causations</th>
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<tbody>
<tr>
<td>1 Organisational soft issues</td>
<td>Mistrust, attitude, culture, fear, resistance to change</td>
</tr>
<tr>
<td>2 Wrong partnering practices</td>
<td>Lack of mutual respect, risk avoidance and transfer, imbalance negotiations, faults with partnering arrangement, misrepresentations</td>
</tr>
<tr>
<td>3 Lack of understanding and resistance to understanding of partnering concepts</td>
<td>Lack of awareness and commitment, not realising the potential benefits, sceptical</td>
</tr>
<tr>
<td>4 Issues related to individual partners</td>
<td>Misalignment of objectives, negative thinking and mind set, inability to learn and unlearn, heuristics</td>
</tr>
<tr>
<td>5 Direct management issues</td>
<td>Lack of negotiation skills, lack of support from top management, imbalance of power</td>
</tr>
<tr>
<td>6 Lack of continuity of projects</td>
<td>Short term projects, lack of potential long term benefits</td>
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<td>7 Bad experience</td>
<td>Past bitter experience with similar participants</td>
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<tr>
<td>8 Competitiveness</td>
<td>Perceived loss in competitive advantage, self centred natural cautions</td>
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<tr>
<td>9 Financial pressure</td>
<td>Commercial imperatives and accounting issues</td>
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<tr>
<td>10 Traditional ways</td>
<td>Fragmented industry nature and common adversarial cultural problems</td>
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<tr>
<td>11 Issues related to project</td>
<td>Complexity, resource constraints, procurement routes</td>
</tr>
<tr>
<td>12 External environment</td>
<td>Social, economical, technological and political issues, public sector regulations</td>
</tr>
<tr>
<td>13 Immaturity of partnering concepts</td>
<td>Lack of dispute resolution techniques and related mechanism, lack of confidence</td>
</tr>
</tbody>
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5. Discussion: cultural and behavioural challenges of construction partnering projects in the UK

As shown in Table 1, 13 major cultural and behavioural challenges were identified, which were categorised in order to assist the next phase to determine suitable leadership practices to tackle
these challenges. ‘Organisational soft issues’ were identified as the major area of root causes that focus on the non-suitability of cultural environment such as blame culture and adversarial attitudes. Fear, suspicion and mistrust were other causes of organisational soft issues. This area of challenge becomes more difficult as it associates with resistance and inability to change. Since this deals with changing ‘shared assumptions’, informal developmental and working solutions of leadership may only be the solution.

The study identified ‘wrong partnering practices’ as the second major area of challenge, which includes the absence of proper systems of communication, premature formation of partnering contract, corruption, lack of mutual trust, misrepresentation of ethos and ethics, imbalance of negotiation, absence of partners from the beginning other risk related issues. It is also perceived that clients normally use partnering as a cover for risk avoidance and risk aversion. However, few partnering projects were mentioned where the success of the project was achieved with the in take of major risks was taken by clients. The client’s muscle towards risk aversion can become a major hindrance to construction industry of the UK especially in this period of economic down-turn. Another area closely related to ‘wrong partnering practices’ is the ‘lack of understanding and the resistance to understand the partnering concept’. Lack of awareness of commitment, potential benefits, rewards and scientism are still in existence even after a decade of partnering in the UK construction industry. ‘Issues related to individual partners’ is the next major root cause with challenges such as individual reluctance to commit, negative mind set and different perceptions on win-win attitude.

The final major root cause worth mentioning is ‘direct management issues’ such as lack of negotiation skills, lack of support and undue pressure from top management, imbalanced power structures and lack of induction and training. Even though some of these are easy to overcome, it is important to be proactive. These management issues can also contribute and aggravate other areas such as ‘competitiveness’ and ‘financial pressure’. In short, most of these cultural and behavioural root causes will require cultural change to adopt a new set of behaviours as a consistent way of working among people. As stated above, leadership is originally the source of the beliefs and values that get a group moving with its internal and external problems [9]. Once a leader’s proposals continue to work, they gradually come to be shared assumptions of organisational culture. As such, leadership plays a very significant role in shaping the culture and it is very important to the change agents to lead the whole process, all the time.

6. Conclusion

The literature review shows the growing significance and evolution of partnering which is said to reduce adversarialism in the industry. Also the synthesis on partnering challenges shows the significance of cultural challenges to be tackled to improve the industry. Hence this research has been carried-out to identify the major root causes of cultural and behavioural challenges in construction partnering in the UK. Research found that organisational soft issues, wrong partnering practices, lack of understanding of partnering concept, individual partner’s issues and direct top management issues are the major areas of root causes and it is essential for leadership
to play a very significant role in shaping the culture which in turn can bring further benefits by tackling cultural root causes in construction partnering projects.

References


