ABSTRACT
The Problem Resolution Process (PRP) element of Partnering is investigated. It is inevitable that problems will still arise from time to time in construction projects, even where a successful partnering agreement is in operation, yet little is known about the PRP in practice. A survey showed the types of problems that occur are substantially the same in partnered and non-partnered projects, it is how they are actually dealt with that determines their effect on the project. There was support for partnering in practice across industry sectors, and a general recognition that a PRP is an inherent part of it, even if it exists more as concepts about open discussion and maintaining trust rather than an actual defined process or sequence of steps to be invoked when problems occur. When the PRP ‘fails’ in practice it is almost always related to personalities or dysfunction within participant relationships.

KEYWORDS
Partnering, problem resolution process

1. INTRODUCTION
The efforts to promote partnering as a successful contracting strategy mean it is now well established in both the public and private sectors through widespread dissemination of the principles of its application. Whilst the policy aspect and rhetoric is comparatively well understood, less is known about industry’s practical experience of partnering. In particular, this paper deals with an investigation of the ‘essential component’ (Bennett and Jayes, 1995) of partnering that is the Problem Resolution Process (PRP). The purpose is to understand what the PRP means in practice and how it is being applied and to those involved in partnered construction projects.
Literature relating to partnering PRPs is investigated revealing a limited understanding of their application in practice. The empirical section of the paper details a nationwide survey of industry practitioners involved in partnering to investigate experience and success of PRPs, how problems are handled in practice when they do arise, and to understand the circumstances where the process has failed to resolve disputes.

The first part of the questionnaire elicits information on the common type of problems that arise on partnering projects and the effects of these problems on cost and time. The second part focuses on the approach to PRPs practised in industry.

2. THE PROBLEM RESOLUTION PROCESS IN PARTNERING

The purpose of the Problem Resolution Process (PRP) is to deal with any such problems quickly and informally by focusing on solutions rather than blame, and resolving the problem to the satisfaction of all affected parties before they escalate into full-blown disputes. Although the approach is intended to be non-contractual and informal, the PRP process should be defined in the partnering agreement.

Partnering agreements are intended to promote internal and relatively informal problem resolution at the levels where problems actually occur if possible, without referring them to higher levels of management. Guidelines for resolving problems must be in place before the project is under way. In stressing the importance of problem resolution process in partnering, Bennett and Jayes (1995) stated that ‘partnering would remain a hollow, idealistic idea without a good problem resolution process’. The fundamental aspect of problem resolution process in partnering is to have a problem resolved at the lowest possible level in the organisation as quickly as possible. Separate levels of problem-solving team are advocated at different levels of management as part of an effective problem resolution process. The recommended approach is for three levels of responsibility that involves site (technical) management level, project (managerial) management level and senior (political) management level (Bennett and Jayes, 1995; Hellard, 1995; Warne, 1994).

It is inevitable that problems will still arise from time to time in construction projects even when a successful partnering agreement is in operation, and one of the defining features of successful partnering is a mechanism for resolving such problems (Naoum, 2002). It is how problems are actually dealt with that determines how severely they will impact on a project objectives. The literature, though largely prescriptive and rhetorical on the benefits of partnering, does however suggest positive results as far as reducing disputes are concerned. Whilst the elements that constitute a successful partnering agreement have been extensively written about, less is known about their operation in practice. No recent study has been carried out in detail to investigate its practice even though it is said to form one of the key objective measures of success in any partnering arrangement (Bennett and Jayes, 1995; ECI, 1997). Tyler and Matthews
(1996) emphasised that problem resolution, although essential, is given only a passing mention by many authors. Dodsworth, 2002; Harbuck, 1994; Stevens, 1993; Sanders, 1992; Mosley et al, 1991; Wilson, 1995; AGC, 1991 and 1993; Moore et al., 1992; Cowan et al., 1992 have all stressed that problem resolution is an essential element of partnering. Specifically, Barlow and Cohen (1996) recognized that there should be further investigation of how partnering resolves problems internally.

3. A UK SURVEY OF PARTNERING AND PROBLEM RESOLUTION

This section of the paper investigates experience of problems and their resolution in practice on projects in the UK which are subject to a partnering agreement. An industry-wide survey of UK construction organisations with experience or interest in partnering was conducted between August and October 2004. Convenience sampling was adopted targeting professional bodies, client and contracting organizations. As there is no comprehensive database of organisations involved in partnering the sample was identified from Royal Institution of Chartered Surveyors, Royal Institution of British Architects, registered social landlords, Movement for Innovation (M4I) partnering demonstration project websites and CN+ Construction News, and some key project participants of partnering project were identified following Chan et al (2003a; 2003b). Many of the respondents were notified through email before the questionnaires were sent out and follow up reminders were sent via letter and email. In total 729 questionnaires were sent out. Despite the care taken in questionnaire construction and administration there were only 88 responses, representing a disappointingly low participation rate of 12%. From the 88 received, 29 were either incomplete or from respondents who felt they did not have sufficient experience in partnering to participate in the survey. Therefore, only 59 questionnaires were used for analysis, making an effective response rate of 8%. A review of construction management research using postal surveys for data collection reveals worryingly low participation, with rates as low as 5.9% reported (Dulaimi et al, 2003). Bing Li et al (2002) reported 12.0% response rate which was higher than the Institute for Public Policy Research (IPPR, 2000) survey in a similar field (9.6% response rate). Similarly, Cheng & Li (2001) developed a conceptual model of partnering based on 27 responses from questionnaire survey, though no indication of the response rate was given.

3.1. THE PRACTICE OF PARTNERING IN THE UK

The first part of the survey explored the type of organisations practicing partnering and the extent of their involvement, including their business sector, general experience in the construction industry and partnering experience specifically. The value of projects, their complexity and procurement arrangements where partnering is practiced was also sought.
Most of the respondents, 23 out of 59, were exclusively in the consultancy sector which breaks down as project management (34.8%), architecture (26.1%), financial and cost (21.7%), engineering (13.0%) and legal (4.3%). The second largest group (12 organisations) represented client organisations including developers, local authorities and social housing provider. The next group (6 organisations) were contractors. Two respondents acted exclusively as partnering facilitators. The remaining respondents were made up of organisations involved in more than one business activity. Disappointingly, none of the manufacturing and supplying sectors took part in this survey.

The majority of organisations could be described as experienced with 84% operating for more than 15 years (84.0%). Eight percent of the organisations were in operation between 7 to 15 years whilst the smallest category of respondents (3%) was the least experienced. In terms of partnering experience the majority (67.0%) of the organisations had experience ranging between 2 and 10 years. The least experienced (4 organisations) had less than 2 years involvement in partnering.

Most of the organisations were involved in more than one sector, but the results show that housing was the most common type of project where partnering was adopted, followed by commercial, refurbishment and education. Other partnering projects included healthcare, retail, industrial and transportation. Partnering was most popular for projects ranging in value from £2.5 million to £10 million, with duration most commonly between 12 to 36 months. The survey also asked respondents to categorise the level of technical and design complexity of their partnering projects and the majority could be described as of moderate technical and design complexity. In terms of procurement design and build followed by traditional contracting were the two most common types of procurement, with management contracting as the least popular form of procurement for partnering.

3.2 PROBLEMS ENCOUNTERED IN PARTNERING PROJECTS

The survey was also used to determine how the type of problems encountered in partnered projects differed from ‘conventional’ non-partnered projects. In fact, the types of problems that occur are substantially the same in partnered and non-partnered projects. Client expectations, lack of availability of information and design changes are problems with the highest frequency of occurrence. Other identified problems in descending order are misinterpretation of contract, misunderstandings between partners due to unpredictability of contract, variations in specification/quantities, delay in site possession/design information, poor administration/management of projects, poor communications between project partners, design error, payment (such as caused by variations, interim claims, balance of contract sum, time extension cost, delay costs, bank guarantee, retention monies), performance of partners in the projects, site investigation, nomination of
subcontractors, time related issues, cost control, execution of work (which include quality of materials, quality of workmanship, standard of design, notice to remedy defects), determination of agreement (such as failure by main contractors or subcontractors to perform) and torts (for example breach of duty of care by partners, nuisance by owner of land, trespass by builders). In short, all these ‘normal’ problems are not prevented by partnering, rather the success of partnering lies in limiting the severity of their impact on project objectives through more collaborative and cooperative approach to their solution.

3.3. EXPERIENCE OF PRP IN PRACTICE

Despite the similar range of problems that still occur, the majority of respondents (92.0%) regard partnering as an effective arrangement to limit disputes in a project through having a problem resolution process. The majority of the respondents (79.0%) stated they had a defined PRP within their organisation. Although the remainder claimed to lack a defined problem resolution procedure, they approached problems through open discussions, either formal or informal, among partners and were conscious of maintaining trust and mutual agreement between parties. In essence, these are characteristics of a PRP, albeit lacking explicit partnering definition.

3.4. FAILURE OF PRP

The survey explored factors which undermined or led to failure of the PRP in practice. Almost exclusively these factors are related to personalities or dysfunction within relationships between participants involved in the process. There was no citing of failure or dissatisfaction with the procedures or processes of problem resolution that constitute the overt ‘harder’ aspects. To expand, the main reason for faltering during the problem resolution process was position taking, whereby there was a lack of cohesion between partners, which constitutes 10.0% of all reasons given by the respondents. Poor communication skills and lack of empowerment, which may lead to indecision, are the next important factors causing faltering in the process. Subsequent factors with equal importance respectively are threats from the partners to the relationship, display of power or authority, display of emotions, defocusing from the issues at hand, non participation or withdrawal from the problem resolution process, attacks on personalities during discussions, and lack of technical expertise. The above factors are closely followed by the lack of experience in problem resolution mechanism.

Other less important attributes to faltering are the lack of following factors:- project information, roles clarification, authority in making decision and familiarity with the problem to be solved. Extreme and escalating demands are not seen as significant factors in the failure of the PRP, and
Delaying intention has been identified as the least factor causing faltering in problem resolution process.

4. CONCLUSIONS

No management approach can prevent problems actually occurring during construction and the first part of the survey showed that partnered projects exhibit very similar types of problems as ‘conventional’ non-partnered projects. Rather its value lies in the ability of the parties to limit the severity of disputes when they do occur, and a defined Partnering Problem Resolution Process is advocated in the ‘best practice’ literature as a means to achieve this. Although cited as an essential element of partnering there is little guidance as to what the process to be invoked when problems occur actually is, and the survey explored actual approaches to the PRP for partnering projects. Most respondents regarded their organisation as having a ‘defined’ PRP, though little that could be considered a process particular to partnering could be discerned. From the survey it can be concluded that no meaningful best practice type toolkit for PRP, of the type favoured in the prescriptive literature, could be prepared. However, features of a response procedure commonly practiced were a defined escalation route for unresolved problems, a problem notification process, and a stipulated time frame for resolution. Devolving responsibility for solving problems was seen as important, though what this means in practice is less clear.

Although the majority of survey respondents regarded partnering as effective in limiting disputes, the third part of the survey showed the "process" can break down with problems escalating in a manner familiar in any project. However the reasons for any break down are rarely attributed to any deficiencies of the defined process or procedure. Rather they are overwhelmingly due to personality type issues or dysfunctional relationship. This supports the conclusion that a ‘best practice’ type process cannot be prescribed. Regardless of whether a partnering type strategy is adopted, problems inevitably occur and will develop into disputes if people and parties are incompatible. A PRP may be a misnomer as there is little notion of a sequence of actions or steps taken by parties that is particular to partnering to ‘solve’ the problem and prevent dispute. Nevertheless the survey showed support for partnering in practice across the sectors, and general recognition that PRP is an inherent part of it, even if it exists more as a concept with certain characteristics rather than an actual defined process.

5. REFERENCES

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