EXPLORATION OF FACTORS WHICH AFFECT TRUST WITHIN THE CONTEXT OF CONSTRUCTION PARTNERING

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In recent times partnering strategies for procurement of major capital construction projects have been promoted as a vehicle to obtain better value and increase levels of quality and service delivery. Yet there is still evidence of low levels of client satisfaction, owing mostly to lack of trust. A review of literature has identified a theoretical framework for the creation and development of trust as a means to facilitate more effective business relationships which the study will discuss within the context of the UK construction industry and specifically partnering agreements. Possible explanations why organisations are wary to trust their partners are outlined as scepticism of realisable benefits, opportunism and inequitable working relationships. Trust is considered from the perspective of its attributes and factors that will have an influence on it. A qualitative research methodology approach is adopted through interviews with eight senior construction professionals with the research sample restricted to those UK based contracting, consulting and client organisations that have had experience of partnering projects and strategies. Coding and analysis of the resultant data has provided some insight as to why organisations may feel vulnerable about vesting trust in their partners. This lack of trust may have caused a lack of appetite for taking perceived unnecessary risks considering certain practices, attitudes and behaviours of partnering organisations. This is especially the case in project partnering, where relationships are perceived to be short term, as opposed to strategic partnering. Potential trust building measures to overcome such dilemmas have emerged and these include informal networking, professional development and team workshops. Future research is recommended to further explore how trust building initiatives can be designed and implemented in developing a framework for increasing trust in partnering strategies.

Keywords: collaboration, partnering, procurement.

INTRODUCTION AND BACKGROUND TO RESEARCH

The UK Governments’ Construction 2025 report (HM Government, 2013) and the Construction Products Association (HM Government, 2010) both highlighted a growing need for increased collaboration, integration and trust across the industry in order to make greater contributions to the pursuit of efficiencies. Notwithstanding these measures and perceived benefits for construction clients, consultants and contractors, partnering and other collaborative strategies have not always achieved their expected outcomes. This may have resulted from poor stakeholder’s commitment.

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to partnering arrangements grounded in a lack of trust which could be damaging the interests of the whole supply chain (Challender et al., 2014). This lack of trust, according Larsen (1997) has emerged from the highly competitive nature of the UK construction industry where commercial considerations and opportunities have prevailed over partnering philosophies. Such examples include clients adopting strategies linked to 'bullying' contractors to gain lowest price tenders and main contractors deliberately slowing construction progress to force clients into instructing costly acceleration programmes (Korczynski, 1996). This has led in some cases to long seated adversarial practices and behaviours. Wong et al. (2008) supported this argument and articulated the perspective that ‘trust appears to be a stranger in construction contracting where confrontation remains the prevalent environment’. Such lack of trust could therefore explain the downward trend in collaborative working practices in recent years as identified by the RICS (2012), in favour of more market-based approaches to contractor procurement. Initiatives designed to encourage partnering have also suffered from ‘collaborative inertia’ due to lack of trust, guidance, support and understanding (Challender et al., 2014). To investigate this further, the aim of this study is to provide insights into increasing trust in partnering arrangements, and to explore why organisations are sometimes reluctant to trust their partners. It will also identify potential trust building mechanisms that could possibly address such a dilemma, and benefit all construction industry stakeholders.

REVIEW OF LITERATURE

Trust and its application to construction partnering

Although there are many different definitions of partnering (National Audit Office, 2001), it can be defined as ‘business relationships designed to achieve mutual objectives and benefits between contracting organisations’ or alternatively as ‘a structured management process to focus the attention of all parties on problem resolution’ (Larsen, 1997).

Although there is a general lack of consensus as to the meaning of trust (Bigley and Pearce, 1998) it can be defined as ‘the willingness to become vulnerable to another whose behaviour is beyond his control’. Korczynski (2000) explained the importance of trust from economic and sociological perspectives. The former relating to mutual objectives not to exploit the other and the latter linked to motivations not to damage personal relationships and friendships. Trust constitutes a construct which is multidimensional with different conditions in which it may develop and incorporates emotional, cognitive and moral components and qualities (Jones and George, 1998). In such cases, levels of trust can grow if acts of trust can be reciprocated (Wong et al., 2008) but risks of non-reciprocation can be high, however, especially at the early stages of a new relationship (Blau, 1964). This theory could be applied to construction partnering, in which all parties should be conscious of the virtues of instigating acts of trust, such as sharing sensitive information, and the need for reciprocating their partners trusting behaviours (Chow et al., 2012).

Expectations of trust, when broken, can have emotional consequences with parties feeling violated and can signal that relationships have become damaged. Furthermore this can change the dynamics of trust between parties and in extreme cases can lead to its complete collapse. In less severe cases, however, specific behaviours may need to be changed to repair and prevent further damage to relationships (Jones and George 1998). Applying this theory into practice, perhaps this justifies the claim that more is required to train project teams to deal with situations as they arise. This can be
corroborated by recent findings from Strahorn et al. (2014) who report that in UK construction management ‘trust repair skills appear to be rare’ especially following disputes.

**Potential benefits of trust for partnering; incentives to trust**

Many academics have focused on theories relating to the creation and development of trust as a potential means to reduce opportunism especially when business environments are prone to hidden agendas and conflicting objectives (Silva et al., 2012). Other theories, conversely, advocate that trust within relationships can safeguard against excessive formal contractual relationships developing between partnering organisations which could be misinterpreted as signs of distrust (Li, 2008). This is supported by Colquitt et al. (2007) who found that the potential benefits of developing and nurturing trust in the workplace could have positive influences on job performance whilst allowing vital risk taking where there are no other safeguards to protect partners. Another interesting perspective comes from Korczynski (2000) who opined that the benefits of trust within a capitalist economy should allow for greater co-operation without exertion of power and from a transaction cost economics perspective reduce opportunism. This has become more profound in developing economies where economic shifts from large independent competing firms to smaller interdependent firms who cooperate which each other more readily (Korczynski, 1996). The perceived benefits of trust have, however, attracted their critics in some instances. Some have debated whether such reliance on trust is appropriate where large sums of money are involved and opportunism could emerge (Lann et al., 2011). This is clearly at odds with the aforementioned views of Silva et al. (2012). The other contentious factor is whether the fractious nature of the UK construction industry, based largely on 'one off' projects facilitates the right environment and conditions for trust to prosper (Fawcett et al., 2012).

**Trust as a collaborative necessity in benefitting construction partnering**

Trust is considered to be a ‘bonding agent’ between collaborating partners and as an ‘essential foundation for creating relational exchange’ (Silva et al., 2012). Fawcett et al. (2012) presented a perspective that ‘without trust collaborative alliances cannot be created or maintained’. Despite this trust appears to be a stranger in construction contracting where confrontation remains the prevalent environment (Wong et al., 2008). One contributory factor for such lack of understanding may emanate from trust receiving only limited attention in construction project management (Maurer, 2010). These arguments appear to support the case that trust amongst construction project teams certainly needs to be significantly increased (Dainty et al., 2007) especially since it is ‘central to every transaction that demands contributions from the parties involved’ (Cheung et al., 2011). Despite this there has been much debate in academia as to how to achieve this in practice. Cheung et al., (2003), in this regard, stressed the importance for project teams to communicate well and operate within an environment leading to ‘an upward cycle of trust’. Conversely some academics have argued that it is the creation of shared ethos based on equity and fairness embedded in aligned organisational strategies that best promotes trust between partners (Thurairajah et al., 2006). Notwithstanding these views there has been little written on trust building measures and mechanisms for construction relationships and even less for construction partnering.
Potential barriers to trust in construction partnering

The quality of collaboration can be reinforced or weakened, depending on the behaviour, approaches and attitudes of organisations and individual participants (Kaluarachi and Jones, 2007) and in practice the time that is needed to nurture key relationships is often lacking in construction management procurement systems (Walker, 2009). Also the project-based nature of much construction work can be seen as a fundamental barrier to the development of trust in practice, where relationships are often perceived to be short-term, and true collaborative working practices struggle to emerge (Walker, 2009). Furthermore reliance on the known and controllable has previously been identified within the UK construction industry, as a symptom of a lack of trust and 'negative culture', sceptical and suspicious of new initiatives.

Other problems for partnering have emerged on occasions where a perceived abuse of power has occurred (National Audit Office, 2001) or deployment of market leverage to disadvantage their ‘partners’ (RICS, 2005). Briscoe and Dainty (2005) supported this through development of their propensity to trust theory and in practice this could manifest itself as ‘buyers’ dictating to ‘sellers’ the terms of their employment and what is required of them (Mathews et al., 2003). Korczynski (1994) referred to this type of practice and other forms of opportunism as the main source of mistrust in the UK construction industry.

Summary

There are clearly problems and challenges for construction partnering, owing to the perceived lack of trust between 'partners' and potential barriers that exist within the construction industry. There are conflicting views on whether trust is appropriate, beneficial or detrimental in some cases and the arguments presented around opportunism highlights the alternative debates that currently exist. To explore this further, this study offers construction practitioners’ insights into the problem of trust and their view on what could constitute trust building initiatives for the industry.

METHODOLOGY

In consideration of the above, a small qualitative study was undertaken (Flick, 2009). Semi-structured in-depth interviews (Gillham, 2005) were held with eight North West UK construction professionals from different construction industry disciplines; a client project manager, property lawyer, architect, quantity surveyor, main contractor, subcontractor, mechanical and electrical engineer and a structural engineer. This purposive sampling approach selected professionals with experience in many different types of construction procurement including partnering, and all who have had experience in representing client organisations. However, beyond these two criteria, the sample was essentially one of convenience.

The interviews were undertaken between late 2014 to early 2015. They were digitally recorded, transcribed verbatim, coded qualitatively and sorted (Silverman, 2001; Langdrige, 2005). As recommended by Taylor and Bogdan (1998), the raw data was summarised in tables; codes were listed, themes developed, content analysis data presented, key literature sources identified, data consistencies and inconsistencies noted and propositions made. Table 1 has been prepared to compare and contrast such inconsistencies and similarities from the interview findings against the respective theme from the review of literature.
RESEARCH FINDINGS AND DISCUSSION

Importance and benefits of trust in partnering

From a general perspective the majority of interviewees expressed support for increased trust in partnering and advocated that it can encourage greater scope for cooperation, teamwork and collaboration. They opined that it can lessen the need for excessive monitoring and formal control mechanisms through reduced risk of opportunism. This generally supports the literature review findings, Chow et al. (2012) and Silva et al. (2012) but robust contractual provisions to lessen the risk of potential exploitation are still deemed required by the participants in line with Lann et al. (2011). Although differentiation of partnership arrangements and their respective importance was not apparent from the literature review, it is felt from the interviewees that trust is more important for strategic partnering and lesser so for project partnering based on ‘one off’ projects. This is justified on the basis of greater scope and motivation for building relationships and learning from experiences, where repeat business from one project to another is facilitated. In this way it would address the fundamental problem outlined by Walker (2009) and Fawcett et al. (2012) concerning the short term nature of the construction industry. From some of the participants there was suspicion of realisable benefits for trust in partnering. This has emanated from past experiences where traditional commercial positions have re-emerged, through claims and disputes, causing parties to retreat back to adversarial contractual positions.

Providing the right environment for trust in partnering; Possible trust building mechanisms

In consideration of what can encourage trust, interviewees opined on the many wide ranging sources or attributes of trust. Either positively or negatively, confidence, teamwork and personalities of individual team members were all found to be important trust building attributes in partnering. Notwithstanding this, findings indicated that the strength of trust generated is more dependent on individual personal relationships, developed from mutual respect, rather than simply ‘good’ working relationships. Trust originating from previous positive relationships and dealings between individuals at senior levels is regarded as critical in the cascading of trust throughout partnering organisations. The above supports Thurairajah et al. (2006) which were referred to by one participant as ‘aligned synergies'. Not surprisingly at an operational level, ‘human’ factors such as integrity, honesty, consistency, reliability and competency are regarded as essential facilitating factors in building trust and gaining good collaborative working relationships. This is supported by other qualities including commitment, communication, initiative and conscientiousness to provide the required degree of integration within teams. Such ‘soft’ factors and skills as depicted by Cheung et al., (2011) are confirmed by the interviewees, to be vital for the greater integration and cohesion of project teams. Yet, hard factors are also put forward by those interviewed as crucial in the partnering process: experience, technical ability, education and competence of individuals, management systems and resources of the partnering organisations. Participants opined that the robustness of the partner selection processes was important in evaluating the most preferred and compatible partner to be appointed, which was not covered widely in the literature.

The interviewees outlined their opinions on many different trust building mechanisms in an attempt to increase trust in partnering arrangements. These included measures to increase fairness of contract terms and the existence of a dispute resolution process.
which could address the abuse of power (NAO, 2001) and deployment of market leverage (RICS, 2005) scenarios previously outlined. Others measures were to encourage informal and open communications and willingness to share sensitive information. Workshops were also suggested as the means to facilitate CPD and networking events to promote open informal communications and engagement on other trust building initiatives. The participants opined that these could encourage dialogue and teamwork to provide the right conditions for embedding those partnering philosophies as advocated by HM Government (2013). In this regard one interviewee, referring to previous projects, suggested that a partnering charter to encompass such measures had been successful in the past. A potential counter argument also emerged; however, in that even when there are high intentions to commit to such measures and undertakings some partners simply lack the practical experience, knowledge and resources to embed and develop trust within inter-organisational relationships.

Table 1: Qualitative themes and data analysis

<table>
<thead>
<tr>
<th>Qualitative Themes</th>
<th>Literature Source</th>
<th>Observation, Proposition or Explanation</th>
<th>Data Inconsistencies</th>
<th>Data Similarities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors that instil trust in partnering arrangements, Trust building mechanisms.</td>
<td>Cheung et al. (2003), Briscoe and Dainty (2005), Thurairajah et al. (2006), Wong et al. (2007)</td>
<td>Shared ethos based on trust, equity and fairness between partners is essential. Levels of trust can grow if trust reciprocated between partners. Social interaction, power, identities and expectations influence the degree and quality of trust.</td>
<td>Trust generated from previous relationships especially at senior levels. Lack of knowledge and commitment to initiatives in some cases.</td>
<td>Equitable working relationships coupled dispute resolution process. Importance of communications and commitment. Sharing of information. Use of workshops for facilitating teamwork.</td>
</tr>
<tr>
<td>Importance and reliance on trust in partnering arrangements</td>
<td>Kaluamichi and Jones (2007), Walker (2009), Lann et al. (2011), Silva et al. (2012)</td>
<td>More trusting relationships facilitate increased collaboration. Trust considered to represent ‘bonding agent’ between collaborating partners. Degree of trust shapes relationships of project teams and influences project outcomes.</td>
<td>Trust only felt desirable to project partnering whilst essential to strategic partnering. Trust appears to be a stranger in construction contracting.</td>
<td>Loss of trust can result in untenable working relationships. Trust enhances collaboration and bonds teams together. Closer working relationships can provide right context for trust.</td>
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</table>
Factors which could inhibit trust in partnering

Notwithstanding the aforementioned positive influences of trust building measures, there was some scepticism that has emerged from the research on their influence and effectiveness. Whilst shared ethos built upon trust between partners is supported theoretically (Thurairajah et al., 2006), according to those interviewed, rarely is this fully realised and embraced in practice. This is clearly a departure from the review of literature and interviewees reported that integrated teams and partnering has been tainted by inequitable working arrangements and anecdotal evidence was presented of organisations that have suffered financially.

The emergence of such factors as social interaction, power, relationships, identities, expectations, and commitments could, if not managed correctly, result in anxieties, tensions and conflicts between partners. According to those interviewed potential outcomes such as these were generally regarded as negative forces which could lead to mistrust in partnering which confirms the findings of Korczynski (1994). However, an alternative isolated argument, representing a departure from the literature review, was presented that conflict is a necessary component of relationships and as such should not necessarily be removed all together. This potentially controversial view could be justified on the basis that it could add tension and inspire motivation and innovation by challenging existing practices. In this way it could arguably be regarded as a positive force. The disparity of power between ‘buyers’ and ‘sellers’ in partnering arrangements was reported to be a factor that could have a negative impact on trust in partnering. This may have allowed the former to use the power derived from scarcity of work elsewhere in the economy to adopt a ‘take it or leave it approach’. The interviewees felt that such a shift in philosophy during operational partnering frameworks, renders organisations highly vulnerable to exploitation as they are virtually held to ransom; to accept revised or reduced terms, or be cast back into ‘the other’ competitive cut-throat market place. Such exploitation may increase the perceived risk of partnering options through lack of trust, reducing their attractiveness and contributing to a reduction in willing partners. These findings broadly support Briscoe and Dainty (2005) and Mathews et al. (2003). Taking this into consideration some interviewees did believe that for trust to prosper an overhaul of current partnering contracts could avoid potential abuse in such cases. Other views, however, were dismissive of this approach on the basis that contract terms alone would not prevent this type of opportunism in practice, calling for a more deep rooted approach to fairness and equality as the only real address.

The interview findings also revealed that a lack of trust may have emanated from previous dealings between partners where poor experiences of other parties had become apparent. Such evidential accounts included the reluctance to share information, respond to urgent requests or failure to make payments on time. Although not covered widely in the literature review the study uncovered that such adversarial practices and behaviours had led to inter-organisational mistrust between partners, clearly demonstrating a departure from partnering philosophies. This may explain why some of the construction professionals interviewed articulated their reluctance at times to put themselves and their interests at risk through a perceived vulnerability in trusting other partnering organisations. An extreme view was presented which was critical of the development and employment of trust itself within partnering and the wider organisational context. This revolved around the notion that it is simply too naive to trust in such business relationships dominated by significant
sums of financial expenditure and where potential profits are critical to organisational success. The emergence of this controversial and arguably misguided perception could be interpreted to mean that individuals and organisations alike will act instinctively to protect their interests and be sometimes reluctant to trust their partners in some cases. This may be especially profound in certain instances where it could put them at risk and make them become vulnerable. Although Lann et al. (2011) questioned the role of trust where large sums of money are at stake, these findings from participants did represent a significant departure from the literature review. Such ‘ghost stories’ for the future of trust in partnering arrangements could possibly demonstrate a need for more trust building mechanism and initiatives to be encouraged and developed for the UK construction industry. Professional development, education and training and increased participation were presented as possible catalysts to overcome this dilemma and this supports Maurer (2010).

For those interviewees that operate within the public sector there was a perception that trust in partnering where financial governance, audit and public accountability are paramount could be regarded as ‘too cosy’ by some more discerning parties. This could in some cases lead to a departure away from trust in partnering and negotiation and encourage more traditional competitive arrangements that provide more robust audit trails.

CONCLUSIONS

The research presents similarities, inconsistencies and new insights to the review of literature. It demonstrates that, despite a prolonged government push via framework initiatives and other interventions designed to raise participation of partnering practices, there still remains little appreciation of some of the difficulties inherent with the reliance on trust in working collaboratively. Long-stated, sceptical arguments theoretical against partnering may have gained credibility from practice, as tales of abuse in organisational relationships and the trust that should underpin them have been told. The absence of trust certainly appears to be a major obstacle for realising the potential benefits from partnering strategies accordingly. In addressing this challenging dilemma a greater understanding of those trust building mechanisms that are potentially effective in ‘turning the tide’ and embedding more trust in partnering is therefore required. This study has provided a contribution to knowledge in this regard and provides various examples of successful initiatives and measures previously adopted by participants for contemplation. Such mechanisms may provide the catalyst that ‘keeps the partnering trust flag flying’ in this regard. Other possible ways forward for industry to develop trust and break down traditional adversarial barriers emerged as (i) informal networking and social events, (ii) organic in-house project bespoke continual professional development, (iii) informal team workshops, (iv) improved understanding at board level of the value of collaborative trust in partnering and (v) organisational and inter-organisational restructuring to improve communication and cooperation.

Further research to focus ‘upstream’ on those constructs, attributes and factors which could influence trust in the context of partnering practices is recommended. This could seek to further identify and evaluate trust ‘generators’ and ‘inhibitors’ with the aim of facilitating greater understanding of how trust building initiatives can be designed and implemented in developing a framework for improving public sector procurement strategies.
Factors which affect trust

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