

Behavioural Compatibility on Construction Projects

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Abstract

This paper proposes a dimension of behavioural compatibility, varying from 'unfettered opportunism' to 'utmost good faith', along which behaviours are examined and a perspective on conflictual origins and performance consequences can be obtained. By considering projects as 'joint venture media' to achieve business objectives, the formalities of relationships are scrutinised in terms of their perceived purpose, philosophical base, participants' attitudes held and behaviour promoted.

Keywords: behaviour, culture, joint-venture, objectives, projects, relationships

Introduction

In formalised relationship frameworks of contract law, backed-up by tort, a basic requirement is for reasonable behaviour. That behavioural requirement is augmented by situational considerations – 'capacity' of the persons, special knowledge etc. Thus, at one end, the law looks to the intent of the parties to determine what is to be (reasonably) secured – in the absence of fraud and subject to increasing legislation of participant (consumer) protection, the parties are free to form any legal bargain – good or bad. In contrast, often, special relationships require much more open declarations/behaviours, i.e. relationships of 'utmost good faith'. Behaviour, and its oral complement language, constitute two primary, observable manifestations of culture. As such, they constitute expressions of underlying beliefs, values and attitudes. Further, culture may be seen as dynamic and, in consequence, somewhat fuzzy. Whilst culture shapes behaviour, so behaviour in turn shapes culture (change).

Culture

One of four dimensions of (national) culture is individualism–collectivism and a fifth dimension of long termism–short termism was added later (Hofstede 1980, 1991). Opportunism (refer to Williamson's (1975) transaction cost analysis) and its possible extension into potential 'cheating' within 50:50 joint venture organisations (Buckley and Casson 1988) are other observable aspects of (business) culture. Culture is not manifested just as 'how we do things here' but includes 'what', 'why', expectations of consequences in (socio-) structural contexts. It constitutes the framework of norms, acceptance limits of behaviour, concepts of justice and suitable repercussions for any transgressors (who are caught). Notably, it gives rise to attitudes and value-judgements – including 'guilt' /innocence. Whilst some societies may be characterised by an 'its too problematic' attitude, others adopt a positive 'can do' attitude (Hong Kong?) until at the last moment – it proves to be impossible.

Especially manifested through language, cultures may be classified as high context – in which the word (linguistic symbol) carries a great deal of associated, assumed meaning – or high content – in which the word has a very limited, 'expressed' meaning. The high context–high content classification extends far beyond language to incorporate how business relationships operate. Such contextual components raise issues concerning awareness of the necessary assumptions and are likely to be the cause of incorrect interpretation and response. However, high content languages and societies may be equally vulnerable by being viewed as over-direct, abrupt, intolerant or rude. Thus, it is at the cultural boundaries/interfaces where the majority of significant problems are likely to occur.

Project

Projects may be regarded as media through which people pursue their business objectives. Contracts are increasingly complex and diverse. Project realisation relies on the informal, culturally derived system (Tavistock 1966) – as the historical Western but largely current Eastern approach – of relational contracting. Realisation occurs in spite of the contractual procedures unless/until failure occurs to sufficient extent to invoke the formal culturally derived system.

Adopting the project as a TMO (Cherns and Bryant 1984), the usual operating group is a coalition. The higher the degree of linearity in the processes, the greater is the opportunity for power-based influence of the shifting multi-goal coalition but with the degree of possible influence (power) decreasing sequentially. The impact of goal formulation, adoption and communication is fundamental

to performance (e.g. Liu and Walker 1998, Bennett and Jayes 1995). Anecdotally, targets may be known but project goals are assumed.

Evolving project power structures (Newcombe 1994) provide opportunities and constraints on goal and target formulation/modification. Such opportunistic availability, patterns and degrees of pursuance determine project performance and, via outcomes, the distribution of satisfaction. Such outcomes can be realised only if there is behavioural compatibility, thereby invoking commitment. From a Western perspective, unamended standard forms of contract provide widely accepted meanings/implications through their well known contents. Extensively amended standard forms, novel and bespoke contracts invoke high prices etc. as expressions of risk aversion. Outcome intent may be clear but process requirements and total risk distribution may be fuzzed. In the East, the intent has dominated in tandem with bidders' business objectives – commonly, long term – to impact performance.

Widely, the construction industry is fragmenting through increased subcontracting and specialisation but integrating through multidisciplinary practices, BOT and partnering. The dichotomy of performance pressures seems obvious. If it is appropriate to regard projects as the vehicle, then it is also appropriate to regard them as joint venture activities. The question then becomes “what is the degree of jointness” and whether the joint venture is a zero sum or a non zero sum game.

Behavioural Compatibility

To give rise to a culture, behaviour must be common and compatible (e.g. Trompenaars and Hampden-Turner 1997). Consideration of a ‘ladder of escalation of disputes’ on construction projects reveals a power based scenario and progressive formality. Attention to formalities is addressing the symptoms rather than the cause(s). The formal behavioural frameworks are derived from informal acceptability. Sufficiently extensive and sustained changes in the informal system generate changes in the formal system (echoing Tavistock).

Womack et al (1990), Westwood (1992), recognise the familial, social derived requirements of respect, harmony, sacrifice and dependence in yielding apparent trust-based behaviour in Japan etc. Taoist, underpinning Confucian ideals of the negligible self leading, via self cultivation, to the noble self and thence, the synergistic whole generates overt recognition of the benefits of mutuality in which congruence of behaviour is essential and natural. That is in stark contrast to the pursuit of individual self interest – a central pillar of market capitalism!

Conclusion

The apparent trusting behaviour in the East reflects a long term perspective and networks of reciprocal obligations (responsibility, authority, self sacrifices and face) are reflected in social and business structuring. Projects are viewed naturally as joint venture business media in which performance is secured via mutuality which of its nature, reduces (potential) conflict and, via (perceived) involvement, enhances performance.

The philosophical and cultural basis is ancient and complex, including several major religions. Those societies emphasise harmony and respect within well defined and accepted structures in which ‘progression’ follows ascription (rather than achievement) as the basis of holistic wisdom (rather than technical expertise), perhaps, thereby avoiding the “Peter Principle”?

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