Partnering: A Brand Label

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Introduction

Partnering is a brand name, yet "No frills" sometimes may provide the same (or higher) quality products as the brands. This paper criticizes that limited understanding and implementation of partnering would revolve around rhetorics – the formation of a trap in technocratic totalitarianism in the construction improvement process (see Green 1998). Such totalitarianism is particularly easy to dominate in certain circumstances, e.g. when one organization is overtly more powerful than the other.

Rhetorics

Does partnering work? Does marriage work?!
These are two rhetorical questions. However, partnering is being scrutinized with near-serious attitude with the recent upsurge of its reputation in alleged effectiveness.

Partnering is a label given to describe certain business phenomena. Like marriage, which exists in various forms in different cultural contexts through time, it is a term designated to a form (or forms) of existence (business arrangements, societal livelihood patterns, or otherwise) involving more than one unit (individual, organizations, even nations). It can be formalized with a piece of paper (contractual) or informalized with reliance on common terms of reference. Rhetorical question (does marriage/partnering work?) does not associate itself with specific answers.

What is partnering?

There are many definitions given to this business phenomenon (especially in the construction industry) in recent decades (e.g. European Construction Institute 1997, Bennett et al 1996). Li et al (2000) give a recount of the literature search. However, Bresnen and Marshall's (2000a, b) papers remind us that the nature of partnering, which underpins our understanding of the various forms (and processes) employed in partnering, must be examined.

As it is difficult to distinguish between partnering as a distinctive practice and as a managerial rhetoric and the use of partnering methods per se does not necessarily lead to effective outcomes (see Bresnen and Marshall 2000a), partnering must be examined from the perspectives of its *process* and its *nature*. The *process* is a structural description of the partnering arrangement, i.e. the equity stake between the partners, the power structure, the organization structure (of the partnering arrangement) and the signing of charter etc. The *nature* of the partnering arrangement is understood through an examination of the characteristics of partnering (the partnering culture). These characteristics include (see Bennett et al, 1996; Li et al 2000) conflict resolution, trust, common goals (or shared vision), mutual benefits (or equity), commitment, and respect. Hence, a partnering arrangement may exist with or without any formal organization structure and contract.

Currently, it is alleged that partnering is not a form of contractual arrangement – having evolved from being an informal to a formal arrangement and back. It is not necessarily a procurement path either, although it can be used (e.g. through project organization design) as such.

Business people talk about strategies (and strategic management) which are explained through visualization and expected achievement of goals and objectives. In both partnership and partnering, when an individual or organization approaches another to form a business relationship (this can be anywhere along the supply chain), anticipated benefits are the initial goals – for a firm requires long term benefits / normal profit to survive. A supply chain, as the name implies, delivers product(s). Anticipated benefits from the business relationship (partnering) derive from the transaction of products (say, sale) are shared by the partners. Hence, the partners, through identification of a common 'outsider' (or customer at the other end of the transaction) have an 'alliance' – psychological, formal, societal or otherwise. This occurs quite easily in private sector as the partnering arrangement may evolve naturally as a response to the environment. The 'marriage' of private and public sectors (although benefits are alleged by Mitrovic 1999) may require more 're-engineering' and shifts of both mechanistic processes and behavioural paradigms – the structuration and culturation phenomenon in Liu and Fellows (1999).

Mechanistic divide – project partnering and strategic partnering

The West has adopted the partnering approach with basically two common forms: project partnering, where the parties come together for the duration of a particular project and strategic partnering where the parties develop a longer term relationship over a series of projects for which contracts are usually negotiated.

Project partnering is recommended for public clients who must use market testing to comply with procurement regulations (such as those in the European Community), normally through the competitive tendering process (Loraine 1994), to ensure visible public accountability.

The questions – stemming from such mechanistic divide – include:

1. Is partnering merely new clothes for the emperor (or the Chinese idiom of "new jug of old wine")? If the negative effects of tendering are acknowledged yet tendering must be retained for public accountability, the 'traditional' tendering process must undergo major modification to demonstrate/convince that it is a new phenomenon – let it be named project partnering.
2. If the contractor's performance is satisfactory and the likelihood is that employment would continue in the next project, partnering must be 'dressed up' so that the process (or rationale) of engaging the same contractor is different from that resulting from pre-qualification-cum-selective-tendering, continuation contract or even serial tendering; otherwise, there is no brand name.

To explain the differences necessary for partnering to stand out from previous tendering/contractual arrangements, mechanistically defining the partnering *process* is adopted (e.g. how to conduct workshop in order to arrive at an agreed charter). The *nature* of partnering defines the culturally driven business approaches and does not offer much to answer the questions raised above. Yet researchers are advocating that it is the *nature* of partnering that dictates what *it* is, i.e. full benefits can only be realized as relationships develop, learning progresses, trust and commonality of interests are fostered (Liu and Fellows 2000). In a business world, the commonality of interests (and mutual benefits) are particularly important, for without these, there is arguably no need to form partnering.

Brand name myths

- ***Quality products***

Quality products in the consumer market are associated with price tags – consider a pair of trainers from the authentic Nike shop and those being sold as copy products: what are their differences? (If one argues that there are none, conversely we do not need to advocate performance appraisals but rely on open tendering). Quality is a dimension of production and is constituted of both economic (such as production cost) and managerial elements (such as management functions in the organisation structure and the production process). To raise quality would at least need to address these two areas.

Consider the partnering examples in other countries/industries. In the context of upkeeping quality of products, arrangements have to be made physically and financially viable through changes in the production process – reconsider the concepts of economy of scale, transaction cost, total quality management (not QA alone) etc. – partnering per se does not lead to quality outputs.

- ***Trust in teamwork***

Much literature advocates that trust is fundamental in the partnering arrangement. "Trust me, I am an honest, meek and mild Chinese wife" – this alone will not get one very far when approaching banks for mortgages and loans. The likelihood is that when partnering commences, trust evolves – 'time will tell!' It is a cyclical chicken-and-the-egg process.

The idea that with "trust underpinning the partnering arrangement, the partners can move forward to attain the common goal of producing quality products" is over-simplification. Consider the statement of "with love, the prince and princess live happily ever after". The issue of bread and butter is as important and when belts are tightened, the noble self (trustworthy, honourable, self-sacrificing etc.) comes under test. One should refer to the psychology paradigms in understanding the operation cycles of trust building and re-building.

- ***Mutual benefits***

Partnering is a business arrangement – a resultant of market environmental forces – a phenomenon that occurs with or without consciously bearing the enshrined label (of partnering). The coming together of firms is not a 'forced process'. To respond to the environment, the organizations adapt with changes that allow them to make their long term normal profits to survive and grow. When one invest, would one not inquire about returns? To induce a partner to join, identify the benefits for the partner. Make the ‘ partner’ a decent business proposal!

Benefits – not threats! To induce someone to join your business by posing/emphasizing the negative resultants of ‘ what ifs’ (what if you don’ t join) is hardly following the principles of partnering. For a powerful organization to ‘ force’ partnering on others, chances are that the smaller less-powerful potential ‘ partners’ will join – but this arrangement might as well not be named ‘ partnering’ but ‘ corporatism’ (refer to Green 1999 for corporatism).

Them-and-us syndrome

Can the partners be able to see ‘ eye to eye’ with each other? The root might lie in the them-us syndrome in the case of client – contractor partnering. Traditionally, project operations are carried out through a hierarchical structure of professional consultants (on the client’ s side) and the production team (on the contractor’ s side). Along with this structure develops a dividing line as the basis for ‘ blame apportionment’ when things go wrong. This is manifested as ‘ culture of adversarialism’ (Liu and Fellows 1999)

While the directors at the ‘ strategic apex’ (refer Mintzberg 1989) may decide that partnering is the way forward, the belief and behaviours of personnel at the ‘ operating core’ may dictate the operationalisation of the them-us approach in adversarialism. A possible scenario is that the directors might wish for partnering but the operatives do not have a clue what it means.

Rhetorics and skeptics

Rhetorical questions and arguments are unfocused – does partnering work/does marriage work? Partnering of firms as a resultant of market forces is like marriage after courting. Forcing others to join is like arranged marriages. But that alone may not dictate whether the partnering/marriage would work out. When choosing a partner, the argument is to look at past records, past business relationships etc., which is a sound business approach. Skeptics who doubt if ‘ partnering would work’ may need to define / refine the question.

Other skeptics view the brand name as a label for ‘ corporatism’ (e.g. Green 1999). It had been alleged that tendering, in most cases, works with an adverse effect on quality of output (services/products) – especially in unfavourable/tight market conditions. Tender, on the other hand, demonstrates accountability. The seemingly logical move to partnering – heavily relying on selection, hence, borders on corporatism – runs the danger of countering what has just been advocated.

Private and public

The private and public sectors face different environments. Private organizations already arranged themselves in various forms of partnering (but without labeling themselves and informing the world), some through formal financial cross holdings of company shares. Benefits/gains are the usual commencement point in making any investment or business deals. The anticipated benefits must materialize (albeit to various extent) to keep the business relationship – a starting point for building *trust*. Public sector faces the issue of public accountability. Since a public organization is not to be viewed as a business entity, the nature of their ' organizational goals' differ quite significantly from the private organizations' . The identification of mutual benefits is, however, still essential to induce partnering. There are two aspects involved:

1. The factors conducive to partnering must be present, rather than mindlessly adopting partnering as a procurement method. " Most public works projects are not profitable enough and involve high risks on a private only basis if customers are to be guaranteed low cost of services. On the other hand, a purely private funded project would be tempted to maximize revenue, to the extent that it may fail to deliver socio-economic benefits. Public-private partnership seems to provide the optimum solution for these potentially conflicting objectives." (Mitrovic 1999: 198). Consider the cases of infrastructure projects with private sector participation.
2. It is advantageous that the mutual benefits are clearly defined, especially in the case of a " one night stand" as in project partnering. Bresnen and Marshall (2000b) may provide some insights from their share of gain – pain formulae between the client and the contractor which could be applied in the client – contractor partnering scenario.

Conclusion

Partnering is a label – evolving itself into a brand name. To understand the formation, and guarding the sustainability of brand names require the organisations to make constant adjustment and responses to the environment. Most of all, the importance of understanding the technical, economic and managerial aspects of producing quality products is paramount – after all, what' s in a name? Partnering has a mechanistic (the process) and an organic (its nature) component. The more one tries to define the term – partnering – mechanistically and deterministically, the more one misses the essence of what *it* is. To hide behind the veil of the brand name is best noted by Green (1999:12), " the reality of the situation is more one of mindless compliance caused by intellectual laziness" .

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