

Jason Challender  
with Peter Farrell and Peter McDermott

# **BUILDING COLLABORATIVE TRUST IN CONSTRUCTION PROCUREMENT STRATEGIES**



**WILEY** Blackwell



## **Building Collaborative Trust in Construction Procurement Strategies**



# **Building Collaborative Trust in Construction Procurement Strategies**

*Dr Jason Challender*

University of Salford, UK

*Dr Peter Farrell*

University of Bolton, UK

*Professor Peter McDermott*

University of Salford, UK

**WILEY** Blackwell

This edition first published 2019  
© 2019 John Wiley & Sons Ltd

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by law. Advice on how to obtain permission to reuse material from this title is available at <http://www.wiley.com/go/permissions>.

The right of Jason Challender, Peter Farrell and Peter McDermott to be identified as the authors of this work has been asserted in accordance with law.

#### *Registered Offices*

John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, USA  
John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, UK

#### *Editorial Office*

9600 Garsington Road, Oxford, OX4 2DQ, UK

For details of our global editorial offices, customer services, and more information about Wiley products visit us at [www.wiley.com](http://www.wiley.com).

Wiley also publishes its books in a variety of electronic formats and by print-on-demand. Some content that appears in standard print versions of this book may not be available in other formats.

#### *Limit of Liability/Disclaimer of Warranty*

While the publisher and authors have used their best efforts in preparing this work, they make no representations or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives, written sales materials or promotional statements for this work. The fact that an organization, website, or product is referred to in this work as a citation and/or potential source of further information does not mean that the publisher and authors endorse the information or services the organization, website, or product may provide or recommendations it may make. This work is sold with the understanding that the publisher is not engaged in rendering professional services. The advice and strategies contained herein may not be suitable for your situation. You should consult with a specialist where appropriate. Further, readers should be aware that websites listed in this work may have changed or disappeared between when this work was written and when it is read. Neither the publisher nor authors shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

#### *Library of Congress Cataloging-in-Publication Data*

Names: Challender, Jason, author. | Farrell, Peter, 1955- author. |  
McDermott, Peter, author.

Title: Building collaborative trust in construction procurement strategies /  
Jason Challender, Peter Farrell, Peter McDermott.

Description: Hoboken, NJ : John Wiley & Sons, Inc., 2019. | Includes  
bibliographical references and index.

Identifiers: LCCN 2018061442 | ISBN 9781119492269 (hardcover) | ISBN  
9781119492290 (epub)

Subjects: LCSH: Construction industry—Management. | Building  
materials—Purchasing. | Industrial procurement.

Classification: LCC HD9715.A2 C46 2019 | DDC 624.068/7—dc23 LC record available at  
<https://lccn.loc.gov/2018061442>

Cover Design: Wiley

Cover Image: © Supavadee butradee/Shutterstock

Printed in Great Britain by TJ International Ltd, Padstow, Cornwall

10 9 8 7 6 5 4 3 2 1

## Contents

	<b>Author Biographies</b>	<i>xi</i>
	<b>Foreword by Mark Farmer</b>	<i>xiii</i>
	<b>Foreword by Emeritus Professor Peter Brandon</b>	<i>xv</i>
	<b>Preface</b>	<i>xvii</i>
	<b>Acknowledgements</b>	<i>xix</i>
	<b>List of Figures</b>	<i>xxi</i>
	<b>List of Tables</b>	<i>xxv</i>
<b>1</b>	<b>Introduction</b>	<i>1</i>
	References	<i>4</i>
<b>2</b>	<b>Context of the Lack of Trust in the Construction Industry</b>	<i>7</i>
2.1	From Where Has the Lack of Trust Emerged?	<i>7</i>
2.2	Calls for More Research into the Study of Trust in Construction Contracting	<i>9</i>
2.3	Deficiencies with Traditional Construction Procurement	<i>10</i>
2.4	Overall Context of Collaborative Working and Partnering Within the Construction Industry	<i>14</i>
2.5	Why is Trust Important in Achieving More Successful Project Outcomes? Trust as a Collaborative Necessity	<i>15</i>
2.6	The Importance for Collaborative Working and Trust in Construction	<i>17</i>
2.6.1	Statistical and Academic Context	<i>17</i>
2.6.2	Government Context: Reports, Codes of Practice, and Recommendations for Change	<i>19</i>
2.6.3	Government Context: Construction Procurement in the Public Sector	<i>23</i>
2.6.4	Industry and Professional Context	<i>23</i>
2.7	Problems Challenging the Philosophy of Partnering: The Influence and Absence of Trust	<i>24</i>
2.8	Summary	<i>29</i>
	References	<i>30</i>
<b>3</b>	<b>The Theory of Trust: Concept, Components, and Characteristics</b>	<i>37</i>
3.1	Introduction to Chapter	<i>37</i>
3.2	What is Trust, Distrust, and Mistrust?	<i>37</i>

3.3	Potential Benefits of Trust: Incentives to Trust	39
3.4	Composition and Characteristics of Trust	39
3.4.1	Trust as a Multi-dimensional Construct	39
3.4.2	Components of Trust	40
3.5	Categories and Classifications of Trust	40
3.5.1	Integrity, Intuitive Trust, and Competence Trust	41
3.5.2	Calculus, Relational, and Institution-Based Trust	42
3.5.3	System-Based, Cognition-Based, and Affect-Based Trust	42
3.6	Importance, Influence, and Effects of Different Types of Trust	43
3.6.1	The Relative Importance of Different Categories of Trust Within a Construction Context	43
3.6.2	Influences from Conditional and Unconditional Trust	46
3.7	Relationships Between Trust and Distrust	48
3.8	The Dynamic Nature of Trust	49
3.9	The Fragility and Robustness of Trust in a Constantly Changing and Dynamic Environment	49
3.10	Summary	51
	References	52
<b>4</b>	<b>The Challenge of Trust Initiation and Formation</b>	<b>55</b>
4.1	Evolution of Trust from Social Sciences Perspective	55
4.2	The Notion of Trustworthiness	57
4.3	Mechanisms, Factors, and Processes for the Development of Trust	57
4.4	Measuring the Quality of Trust	60
4.5	Trust-building Mechanisms: Constructs and Attributes	62
4.6	Relationship Between Trust and Conflict	64
4.7	Trust as an Independent (Cause) and Dependent (Effect) Variable	65
4.8	Relationships Between Trust, Risk, and Control	65
4.9	Relationship Between Trust and Interdependence (Reliance)	68
4.10	Summary	70
	References	71
<b>5</b>	<b>Introduction and Background to Collaborative Working and Partnering</b>	<b>75</b>
5.1	What is Collaborative Working and Partnering?	75
5.2	Different Types and Variations of Collaborative Working	76
5.3	Mechanisms for Agreeing Tender Prices Under Partnering Contracts	78
5.4	Perfection Through Partnering Procurement: The Philosophy and Benefits of Teamwork and Integration of the Whole Supply Chain	79
5.5	Potential Problems and Risks for Collaborative Working and Project Team Integration	83
5.6	Summary	86
	References	87
<b>6</b>	<b>The Importance, Reliance, and Influence of Trust in Construction Partnering</b>	<b>91</b>
6.1	The Reliance and Importance of Trust for Construction Partnering	91



6.2	Propensity to Trust Theories, Applied to Collaborative Working	96
6.3	Trust as a Collaborative Necessity	100
6.4	Relationship Between Trust and Collaborative Working as a Measure of Performance for Improved Project Outcomes	103
6.5	Summary	105
	References	107
<b>7</b>	<b>Potential Problems, Barriers, and Risks for Trust in Collaborative Working</b>	<b>111</b>
7.1	Introduction to the Problem of Trust in Collaborative Working Relationships	111
7.2	Potential Obstacles, Risks, and Difficulties	112
7.2.1	Adversarial Practices, Relationships, and Behaviours	112
7.2.2	The 'One-Off' Project-Based Nature of Construction Contracting	113
7.2.3	Resistance to Change Old Familiar Working Practices	114
7.2.4	Commercial, Economic, and Contractual Pressures	115
7.2.5	Influence of Legislative and Governance Measures	119
7.2.6	Organisational Barriers	121
7.3	Methods to Address Potential Risks, Barriers, and Problems for Trust in Partnering Practices	122
7.3.1	Incentives and Problem Solving Through Teamwork	123
7.3.2	Partner Selection Processes, Key Personnel, Management Skills, and Training	125
7.3.3	Risk Workshops	127
7.3.4	Issue Resolution Processes	127
7.4	Summary	128
	References	129
<b>8</b>	<b>Factors Which Influence the Development of Trust in Construction</b>	<b>133</b>
8.1	Introduction to the Factors for Influencing Collaborative Trust in Partnering Strategies	133
8.2	Influence of Motivational Factors on Collaborative Trust in the Construction Industry	138
8.2.1	Potential Benefits of Motivational Initiatives	138
8.2.2	Types of Motivational Initiatives	138
8.2.3	Communication and Cooperation	139
8.2.4	Training, Education, and Continual Professional Development	140
8.2.5	Relationships and Teamwork	141
8.2.6	Fairness and Equality	142
8.3	Influence of Ethical Factors on Collaborative Trust in the Construction Industry	143
8.3.1	The Importance of Ethical Considerations for Partnering	143
8.3.2	The Definition of Ethics	144
8.3.3	Ethics from a Professional Perspective	144
8.3.4	Governance and Regulation	145

- 8.4 Influence of Organisational Factors on Collaborative Trust in the Construction Industry 145
  - 8.4.1 The Temporary Organisational Nature of Construction Projects 145
  - 8.4.2 Alignment of Organisational Strategies 146
  - 8.4.3 Management Systems and Processes for Sharing Information 147
  - 8.4.4 Blending of Beliefs, Values, and Attitudes Within Organisational Environments 149
- 8.5 Influence of Economic Factors on Collaborative Trust in the UK Construction Industry 150
  - 8.5.1 Economic Rewards and Risks 150
  - 8.5.2 Aligning Commercial Interests; Financial Incentives 150
- 8.6 Summary 152
- References 154
  
- 9 Developing a Framework of Trust-Building Mechanisms for the Partnering Toolkit 161**
  - 9.1 Previous Studies as Context for the Influence of Trust-Building Mechanisms in Generating Trust Within Construction Partnering 161
  - 9.2 Regular Workshops and Review Meetings with Mutually Aligned Objectives 169
  - 9.3 Fair and Equitable Incentivisation Schemes: Transparency and Sharing of Data 172
  - 9.4 Partnering Charters Encapsulating Ethical Considerations 175
  - 9.5 Senior Management Commitment, Effective Open-Communication Strategies, and Issue-Resolution Processes 176
  - 9.6 Co-location Arrangements 180
  - 9.7 Social Networking, Teambuilding, and CPD Events 180
  - 9.8 Integrated Project Insurance (IPI) Initiative 182
  - 9.9 Compatibility and Complementary Nature of Management Systems and Joint Evaluation Processes 183
  - 9.10 Styles of Leadership and Recognition and Alignment of Organisational Strategies and Mutual Objectives 183
  - 9.11 Partner Selection Processes to Achieve Aligned Synergies 184
  - 9.12 Summary 185
  - References 187
  
- 10 A Partnering Toolkit Based on Integrated Trust-Building Mechanisms 191**
  - 10.1 Introduction and Purpose of a Partnering Toolkit 191
  - 10.2 Embedding Trust-Building Mechanisms into the Partnering Toolkit as Part of Collaborative Management Strategies 191
    - 10.2.1 Relationship Management 193
    - 10.2.2 Communications Management 194
    - 10.2.3 Organisation Management 195
    - 10.2.4 Risk Management 196
    - 10.2.5 Financial Management 198
  - 10.3 Incorporating Partnering Toolkit Within Procurement Processes 198

10.3.1	Appointment of a Collaboration Champion Role	198
10.3.2	Staged Approach to Integration of Toolkit Through Different Design Stages	199
10.3.3	Requirement for Measuring the Status of Trust and Collaboration at Regular Stages	201
10.4	Tailoring the Partnering Toolkit to Suit the Nature of Projects and Their Environment	203
10.5	Monitoring of the Partnering Toolkit and Influence on Project Performance	209
10.5.1	Reflective Practice and Action Learning	209
10.5.2	Applying Lessons Learnt for Continual Improvement of the Toolkit	209
10.6	Summary	211
	References	212
<b>11</b>	<b>Implications in Practice for Collaborative Trust in Construction</b>	<b>213</b>
11.1	Critical Success Factors for Trust in Collaboration	213
11.1.1	Improvement Measures and Encouraging Best Practice	215
11.2	Embracing Trust-Building Strategies	215
11.3	Fostering Trusting Relationships for Management Outcomes	218
11.4	Nature of Projects and Their Suitability to Trust-Building Strategies and Collaborative Working	219
11.5	Need for Evidence of Project Benefits from Collaboration Management Strategies	220
11.6	Implication for Future Construction Procurement Strategies; Potential Application of the Trust-Building 'Partnering Toolkit'	221
11.7	Summary	222
	References	223
<b>12</b>	<b>Reflections and Closing Remarks</b>	<b>227</b>
	References	228
<b>Appendix A</b>	<b>Glossary of Terms</b>	<b>229</b>
	References	234
<b>Appendix B</b>	<b>List of Abbreviations</b>	<b>237</b>
<b>Appendix C</b>	<b>Collaboration Champion/Facilitator Services</b>	<b>239</b>
C.1	Introduction	239
C.2	Facilitation Services	240
C.2.1	Establishment of the Collaborative Project	240
C.2.1.1	Kick-Off Workshop	240
C.2.1.2	Risk Management Workshop	240
C.2.1.3	Communications and Issue Resolution Workshop	240
C.2.1.4	Performance Measurement Workshop	240
C.2.1.5	Project Management Processes and Systems Workshop(s)	241
C.2.2	Support for the Project Management Cycle	241
C.2.2.1	Support to the Core Group	241

C.2.2.2 Risk Management Meetings 241  
C.2.2.3 Communications and Issue Resolution Meetings 241  
C.2.2.4 Continual Improvement Meetings 241  
C.3 Summary 241

**Appendix D Partnering Charter (Details of project removed for confidentiality) 243**

Index 245

## Author Biographies

### Dr Jason Challender (Lead Author)

Jason Challender has acquired 30 years 'client-side' experience in the UK construction industry and procured numerous successful major construction programmes during this time. He is the Director of Estates and Facilities at the University of Salford, member of its Senior Leadership Team, and responsible for overseeing a large department of approximately 350 estates and construction-related staff. He is also a construction researcher with 10 published academic journal and conference papers in the last three years, all of which have been dedicated to his studies around trust and collaborative procurement in the construction industry. Furthermore, he has previously participated as a book reviewer for Wiley. He has also attended many national construction and institutional conferences as a guest speaker over the years and is a Fellow and Board Director of the Royal Institution of Chartered Surveyors.



### Dr Peter Farrell

Peter Farrell has 16 years' industry experience and over 25 years in higher education. He is a Reader in Construction Management at the University of Bolton, and has over 90 publications, including four textbooks. His early industry work was as a quantity surveyor; then as contractor's site manager, responsible for multi-million pound new-build construction projects. He has been an External Examiner at seven institutions, including internationally, and is academic journal referee and book reviewer. Peter is a Fellow of both the Chartered Institute of Building (FCIOB) and the Royal Institution of Chartered Surveyors (FRICS), and formerly acted for three years as Chair of the CIOB Greater Manchester Branch.

## **Professor Peter McDermott**

Peter McDermott is Professor of Construction Management and Procurement in the Built Environment at the University of Salford. He has over 60 publications including one book. For many years, he has been instrumental in leading research for work commissioned by the former Department of Trade and Industry and Cabinet Office (Construction Strategy). He is currently Chair of the North West Construction Hub and working with the Treasury on 'Infrastructure UK'. He is a founder member and now Joint Coordinator of CIB (International Building Research Council) and Chair of the Shadow Infrastructure Construction Review Implementation Group of the North West. Furthermore, he has led Engineering and Physical Sciences Research Council (EPSRC) research work in the area of procurement systems.

## Foreword by Mark Farmer

My 2016 report for the Construction Leadership Council ‘The Farmer Review of the UK Construction Labour Model, Modernise or Die’ highlighted starkly that the construction industry and its clients have non-aligned interests reinforced by traditional procurement protocols and a deep-seated cultural resistance to change. This has partly contributed to extremely poor levels of productivity when assessed against other industries. Previous calls to arms have not really drawn any wholesale reaction, certainly not on any real scale to make a difference. Resistance to change and lack of integration and alignment of project team players has become accepted *de facto* norms for the industry. Inefficiency and poor predictability of delivery against success factors of time, cost, and quality have led to an inability to produce successful outcomes and deliver to clients requirements. One of the critical symptoms of failure and poor performance has been identified as lack of collaboration and improvement culture. The added fuel for this burning platform is the unprecedented and growing structural skills crisis that looks set to drive a long-term decline in competent resources across all parts of our industry markedly increasing future delivery risks. Put simply, as a consequence of these inherent difficulties, there is an absolute imperative for long-term transformational change. The construction industry and its clients, I believe, are now at a critical juncture. It is worth also noting that this is not just a UK issue. According to the World Economic Forum and the McKinsey Global Institute amongst others, this is a generic and global ‘construction problem’, something I have seen first-hand from my international travels over the last 12 months.

This book is not the first to outline some of these shortcomings in the construction industry, but does, I believe, offer what many in the construction industry have been waiting for. The book focuses strongly on the lack of trust in the construction industry which has been highly documented by authoritative sources over many years as a barrier to the success of construction projects. It addresses the needs of the wider project team to collaborate through prescribed trust building mechanisms. The methodology in doing so, is facilitated through the creation of a collaborative framework, supported by the introduction of a ‘partnering toolkit’. The book draws on case studies from the lead author’s experiences and interviews with construction practitioners. It provides its readers with a practical guide to address this ongoing dilemma and should act as a catalyst for improvements to collaborative procurement processes. This is designed to raise productivity and add value by increasing integration, innovation, transactional efficiency, and changing mind sets. This would represent a big challenge for the industry in changing

old traditional working practices, mostly derived from commercially focused perspectives and potentially adversarial behaviours and attitudes. It is also wholly necessary if we are going to move construction towards more of a manufacturing type process.

I hope this book offers the inspiration for building more trust and collaboration and taking a different view of the roles of the project team participants, in the overall pursuit of modernising the industry we work in. If it creates a new perspective of understanding and dialogue, then it will have served its purpose.

*Mark Farmer*  
CEO Cast Consultancy and  
author of *The Farmer Review*  
of the UK Construction Labour Model  
*Modernise or Die* (2016)



## Foreword by Emeritus Professor Peter Brandon

This book is important to all those who wish to see productivity, trust, and fairness enhanced in the construction industry. It is also a ‘must read’ for all those who wish to take a pragmatic view to construction improvement and it is written in a style that makes it accessible to all students and practitioners in the industry.

The true importance of the construction industry to national economies is appreciated by few. According to the Office of National Statistics (ONS 2017) the value of all new construction work in 2016 was £99 266 million in the United Kingdom, which represented 6.1% of gross domestic product (GDP). Furthermore, construction employment in the United Kingdom has been rising steadily since 2011, employing 4.1% of the total workforce in 2016 (ONS 2017). Notwithstanding its importance, the productivity in construction has been consistently the slowest to change when compared to all the UK manufacturing sectors. The Farmer Review of the UK Construction Labour Market highlights that if we do not address how the industry operates and delivers, it could lead to an inexorable decline to its fortunes. Alongside this report, there have been many other repeated calls over many years for the construction industry to deliver better value for money for clients. These calls are in response to the criticisms of the industry by clients, who complain that they do not always get what they ask for. Furthermore, poor productivity has brought the sector under the scrutiny of successive governments. One example is *Construction 2025* (HM Government 2013) which identifies that fractious qualities are embedded in the UK construction industry. The report stresses that collaboration and trust across the entire supply chain are crucial to deliver successful projects. There is an apparent consensus that improved performance of the construction industry is dependent upon increased collaboration and joint working between clients and the whole supply chain. The behaviour of project team individuals is arguably one of the most important ingredients for improving performance and trust, leading to more successful outcomes for the construction industry.

The authors seek to address the above inherent problems of the sector in a practical way. Accordingly, they consider the dilemma from the perspective of project teams moving towards a more integrated way of working. Since the lack of trust in the construction industry has been highly documented by authoritative sources over many years, clients in particular, must on their part, aim to work in a more collaborative and joined-up way with their supply chain, deploying hands-on management and not just making demands. The authors explore the extent to which trust is a viable tool in collaboratively procuring improved construction procurement strategies and provide an important insight into the influence of trust on the success of construction projects

and redevelopment programmes. They address this ongoing paradigm and provide the visionary tools for project teams to act as the catalyst for improvements to procurement processes. The contributions of the authors describe a methodology for embedding trust-building mechanisms as part of a partnering toolkit. The toolkit provides a collaborative framework which is intended as a practical guide to raise awareness of best practice and instil more trust in construction contracting. It provides innovative and unique initiatives for project management to better achieve value for money and more effectively satisfy business objectives. This toolkit is continuing to be applied and embedded into practice in the higher education sector and it will be interesting to see how successful it will be in delivering improved outcomes.

The book is useful for practicing practitioners and also for students as a valuable teaching and learning platform. It represents a unique, inventive, and much-welcomed pragmatic approach to construction management. I hope this book inspires readers to take a different perspective on the procurement of construction services and will encourage transformational real change in practice. It opens new angles for understanding and dialogue and enriches the knowledge and experience of all those involved with construction processes. The authors should be congratulated on providing us all with a book which is not only of real tangible benefit but is well written and engages the reader.

*Peter Brandon*  
University of Salford

## References

- HM Government (2013). *Construction 2025. Industry Strategy: Government and Industry in Partnership*, vol. 23–25, 61–71. London: HM Government.
- ONS (2017). Office for National Statistics. *Gross Domestic Product Data*. Available at [http://www.ons.gov.uk/ons/dcp171780\\_350942.pdf](http://www.ons.gov.uk/ons/dcp171780_350942.pdf) (accessed 28 January 2017).

## Preface

The construction industry, especially within the United Kingdom, has for many years become synonymous for having attitudes and behaviours associated with an adversarial culture. Many government and industry reports have aimed to change the industry. These have included *Constructing the Team* (Latham 1994), *Rethinking Construction* (Egan 1998) and *Accelerating Change* (Egan 2002), and have largely focused on reforming procurement strategies linked to partnering and collaborative working. They have sought to encourage a greater sense of team working and integration between clients, consultants, contractors, and supply chains involved in the procurement processes. Such improvements have been promoted as a vehicle to obtain better value and increased level of quality and service delivery. Despite these, however, partnering and collaborative procurement in the construction industry have suffered through organisations not fully committing to the fundamental principles and philosophies which underpin them. Aspirations and ambitions to revolutionise the industry with expectations of more successful time, cost, and quality outcomes have in most cases simply not materialised. This has given rise to evidence of low levels of client satisfaction, owing mostly to lack of trust between project stakeholders. Possible explanations why organisations fail to trust their partners sufficiently include scepticism of realisable benefits, opportunism, and inequitable working relationships. These underlying problems are explored widely in the book, and trust is identified as one of the major barriers to successfully implementing successful partnering strategies. In some reported cases, clients may feel that the only way to assure themselves that they are not paying too much money for their projects is to market test bids in highly competitive environments. This reflects a movement back to traditional procurement and is regarded as a worrying trend for the future of the industry. The report commissioned for Government in 2016, *Modernise or Die (Time to Decide the Industry's Future)* by Mark Farmer has identified and articulated a 'collaboration problem' at the root of change inertia in this regard. Furthermore, Mark has written the foreword to this book and fully supports the approach to transformational industry change that has been proposed.

Trust has been identified widely as one of the most important drivers for relationship management and the success of partnering strategies in many other industries. Manufacturing represents one sector where industry has led the way in creating and developing strategic partnerships build on trusting relationships. This has generated improved project outcomes and created environments which encourage joint problem-solving and win-win scenarios. Despite this, however, the construction industry has been slow to

embrace trust building strategies. Furthermore, the study and practice of trust has not received the attention level it requires in an environment dominated by technical knowledge and skills. To respond to this dilemma, the main focus of this book is to provide a suitable context for paradigm shifts in practice with measures to increase collaboration and trust as catalysts for increasing the success of construction procurement strategies. The partnering toolkit, as part of a collaboration framework, created as part of this book will seek to educate practitioners and students in practical ways of embedding partnering philosophies within construction projects. The partnering toolkit is currently being used on a live project for the University of Salford, with construction partners Morgan Sindall. In this regard, it is intended that the whole project team will be committed to embedding its mechanisms and guiding principles in each of the construction procurement stages. Action research will be conducted on the toolkit to enable an evaluation of its usefulness in practice, gain lessons learned from it, and hopefully shape future construction procurement best practice.

The research for the book has been derived from a combination of sources which include the authors' own experiences, interviews with a wide range of construction professionals, and literature. The book is mainly intended for construction practitioners, including employers, design teams, contractors, subcontractors, and lower levels of the supply chain. It could also be useful for teaching and learning and suit a wide target audience including under and post-graduate students and academics. The authors are hopeful that it will make a constructive and useful contribution to the field.

## References

- Egan, J. (1998). *Rethinking Construction. The Report of the Construction Task Force*, 18–20. London: DETR.TSO.
- Egan, J. (2002). *Accelerating Change. Rethinking Construction*. London: Strategic Forum for Construction.
- Latham, M. (1994). *Constructing the Team*. London: The Stationery Office.

## Acknowledgements

The authors would like to thank all the research participants, including Richard Jackson of Altitude 501 Consulting, who contributed to the book's findings through interviews. In addition, many thanks to Hawre Baban, Associate Director (Development) of the University of Salford and other colleagues at the university including Danny Cheung, Peter Dentith, and Charlotte France for their assistance in developing the 'partnering toolkit' for the book. Acknowledgement and gratitude also to Morgan Sindell for working alongside the lead author in implementing the partnering toolkit on a live project.

Special thanks goes out to the lead author's family, Margaret, Kristin, and Bobby Challender for their support and proof reading provided throughout the book's development.



## List of Figures

- Figure 2.1** The iron triangle of cost, time, quality, and scope. 8
- Figure 2.2** Illustrating traditional procurement structure. Source: Adapted from Higham et al. (2017). 10
- Figure 2.3** Traditional procurement route under RIBA Plan of Work 2013. Source: Adapted from RIBA (2013). 11
- Figure 2.4** Illustrating design and build procurement structure. Source: Adapted from Higham et al. (2017). 14
- Figure 2.5** Design and build procurement route under RIBA Plan of Work 2013 Source: Adapted from RIBA (2013). 15
- Figure 2.6** Conceptual framework between trust and success. Source: Adapted from Pinto et al. (2009). 16
- Figure 2.7** Flowchart to illustrate the influence of trust on improved project performance. Source: Developed from Fukuyama (1995, as cited in O'Hara, 2006); Wong et al. (2008); Wu and Udeaja (2008); and Pinto et al. (2009). 16
- Figure 2.8** Participation in partnering. Responses relate to the questions posed to clients, consultants, and contractors, as to the percentage number of projects that they have carried out in the last five years that fall under four categories. The four categories are those shown on the left of the chart. Source: NBS (2015). Adapted from National Construction Contracts and Law Survey 2015. 18
- Figure 2.9** Benefits of early integration of contractors. Source: Adapted from findings of Latham (1994) and Egan (1998, 2002). 20
- Figure 2.10** Percentage of participants who support advantages and disadvantages of partnering approaches. Source: NBS (2015). Adapted from NBS National Construction Contracts and Law Survey 2015. 20
- Figure 2.11** The percentage of clients, consultants, and clients who adopted collaborative working on projects with the last year. Responses related to the question: Did you adopt any collaboration techniques, in projects that started in the last 12 months? Source: NBS (2015). Adapted from NBS, National Construction Contracts and Law Survey 2015. 27
- Figure 3.1** Weak, semi-strong, and strong form trust (Barney and Hansen 1994). 41

- Figure 3.2** Proposed effects of unconditional trust on interpersonal cooperation and teamwork. Source: Adapted from Jones and George (1998). 47
- Figure 4.1** Diagram to illustrate ‘Virtuous Circle’. Source: Adapted from Huxham and Vangen (2000). 58
- Figure 4.2** Trust maturity framework. Source: Adapted from Fawcett et al. (2012). 60
- Figure 4.3** Trust attributes for construction partnering. Source: Adapted from Cheung (2007). 63
- Figure 4.4** Illustration reflecting principal agency theory framework, showing key relationships between project parties. PO, project owner; C, contractor; PM<sub>po</sub>, project owner’s project manager; PM<sub>c</sub>, contractor’s project manager. Source: Adapted from Ceric (2014). 68
- Figure 4.5** Shallow dependence, shallow independence, deep dependence, and deep interdependence. Source: Adapted from Shepperd and Sherman (1998). 69
- Figure 7.1** Barriers to collaboration. National Construction Contracts and Law Survey (NBS 2018) of construction consultants. Responses based on question: What prevented you from becoming involved in, or using, (more) collaboration in projects during the last 12 months? 118
- Figure 7.2** Potential barriers to collaboration. Source: Adapted from Hansen and Nohria (2004). 123
- Figure 8.1** The influence of motivational, ethical, organisational, and economical factors on collaborative trust. Source: Challender (2017). 137
- Figure 9.1** Scatter diagram illustrating the influence of motivational, ethical, and organisational trust-building mechanisms (independent variable) on trust generation within projects (measured by trust expectations as the dependent variable). 162
- Figure 10.1** Collaborative toolkit. 192
- Figure 10.2** Influence of trust-building mechanisms on relationship management strategies. Mech 1–14 refer to trust-building mechanisms. 193
- Figure 10.3** Influence of trust-building mechanisms on communications management strategies. Mech 1–12 refer to trust-building mechanisms. 195
- Figure 10.4** Influence of trust-building mechanisms on organisational management strategies. Mech 5–13 refer to trust-building mechanisms. 196
- Figure 10.5** Influence of trust-building mechanisms on risk management strategies. Mech 1–11 refer to trust-building mechanisms. 197
- Figure 10.6** Influence of trust-building mechanisms on financial management strategies. Mech 3–10 refers to trust-building mechanisms. 198
- Figure 10.7** Flowchart to illustrate various stages of partnering toolkit. 202
- Figure 10.8** Questionnaire to measure the status of trust (trust inventory). 203
- Figure 10.9** Template to determine which mechanisms should be used as part of the partnering toolkit. 206



- Figure 10.10** Kolb's learning model (Sheehan and Kearns 1995). 209
- Figure 10.11** Applying the partnering toolkit to four stages of Kolb's learning model. 210
- Figure 10.12** Professional practice process map (Sheehan and Kearns 1995). 210



## List of Tables

- Table 3.1** Definitions of trust (various sources). 38
- Table 3.2** Outline of alternative frameworks (models) of trust from Hartman, Rousseau, Lewicki, and Bunker (as cited in Pinto et al. 2009). 43
- Table 3.3** Practical examples of how different forms of trust may affect construction partnering relationships. 44
- Table 3.4** Examples of potential breaches of trust and their effects on contracting relationships. 51
- Table 4.1** Trust-building processes, description, and characteristics based on Doney et al. (1998). 58
- Table 4.2** Items for measuring trust (Wu and Udeaja 2008). 62
- Table 4.3** Forms of dependence, risks, and qualities of trustworthiness and mechanisms of trust (Shepperd and Sherman 1998). 69
- Table 5.1** Levels and characteristics of partnering. 77
- Table 5.2** Benefits of partnering from the perspective of clients, contractors, and design teams. 80
- Table 6.1** The importance, reliance, and influence of trust in partnering strategies. 97
- Table 7.1** Barriers to trusting collaborative working and differing priorities and objectives between organisational groups. 120
- Table 7.2** Example of how cost savings may be apportioned amongst the project team. 125
- Table 8.1** Qualitative themes and data analysis linked to identifying those factors which instil trust in partnering strategies. 134
- Table 8.2** Qualitative themes and data analysis linked to identifying the importance and influence of hard and soft factors for partnering strategies. 136
- Table 9.1** Attributes of motivational-based trust-building mechanisms. 163
- Table 9.2** Attributes of ethical and economical-based trust-building mechanisms. 165

- Table 9.3** Attributes of organisational-based trust-building mechanisms. 167
- Table 10.1** Collaboration champion outputs, outcomes, key activities, and expectations. 200
- Table 11.1** Best practices and improvement measure the development of trust. 216

## 1

## Introduction

*Sir Michael Latham was told 'there is no trust in this industry anymore'.*

Latham (1993)

Latham in titling his interim report to government 'Trust and Money' (Latham 1993) was signalling the importance he attached to the lack of trust in the UK construction industry. In *Constructing the Team* (Latham 1994), he described trust as being the gate-keeper to any real progress in improving contractual relations in the United Kingdom. Other commentators, such as Cox and Townsend (1997) were of the view that cultural change would not be easy:

... it is unlikely that trust (based on dependency) will be volunteered in such a deep-rooted traditionally adversarial culture as that of the construction industry.  
(Cox and Townsend 1997)

The progress since these observations by Latham is the focus for this book. The intent is to describe the state of development and to attempt to change current working practices and improve project outcomes in the construction sector. The meaning of trust has been re-enacted on many construction projects over the years according to professional practitioners, and therein typifies the need to consider measures to improving practice through trust generation. In this regard, the book explores the extent to which trust is a viable tool in collaboratively procuring successful construction projects. In addition, it will provide an important insight into the influence of trust on the success of construction strategies and redevelopment programmes. Trust will be considered in this context from an inter-organisational rather than individual perspective. The terms 'collaborative working' and 'partnering' will be used interchangeably through the book, and both are intended to promote mutual benefits of cooperation, team working, and problem-solving (Larson 1997, p. 190; Wong and Cheung 2004). Their definitions and meaning are more fully explained in Chapter 3. Furthermore, the book investigates current partnering arrangements that exist within the global construction industry, to create a comprehensive understanding of problems of trust which are hindering its overall effectiveness. The book also reviews the overall commitment of organisations to partnering philosophies. The main focus of the book is, however, intended to provide a suitable context for paradigm shifts in practice with measures to increase collaborative trust and act as a catalyst for increasing the success of construction procurement strategies. Calls for changes in working practices have been predicated by perceptions that