

# **A STUDY OF THE DETERMINANTS OF EFFECTIVENESS IN RELATIONAL CONTRACTING**

By

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*To my dearest family*



## **KEYWORDS**

Australia, Case Study, Construction Industry, Culture, Interviews, Organisation, Public Sector, Relational Contracting Survey.



## **ABSTRACT**

The significance of a link between organisational culture and organisational performance has long been recognised in both mainstream management literature as well as in the construction management literature. Within the construction research domain, the impact of culture and organisation on project performance is becoming an increasingly important topic for the establishment of sound partnering or alliancing, or to what has been referred to increasingly in recent years as relational contracting, in the overall approach to project management. However, studies of the efficacy of alliancing or partnering have so far produced mixed results.

The present study concerns two public sector organisations in Australia, where the interrelationships between organisational culture and structure, commitment and national culture were investigated. The methodology was triangulated; with a detailed questionnaire survey undertaken with both organisations, and with subsequent interviews and case studies carried out for validation. Multivariate statistical techniques were utilised to investigate complex relationships between variables.

The research reports the perceptions of professional personnel in the public sector organisations, and some mismatches found between organisational structuring and organisational culture. Key issues affecting project performance, and the set of project team characteristics enhancing the development of a collaborative project culture, were found to include continuous commitment from all levels, right mix of people, formal and informal communication, continuous facilitation, education and training in the universities, institutions and industry. The combined outcomes of the

research provided a framework of fundamental elements for successful relational contracting.



# CONTENTS

<i>Keywords</i> .....	<i>i</i>
<i>Abstract</i> .....	<i>iii</i>
<i>List of Tables</i> .....	<i>ix</i>
<i>List of Figures</i> .....	<i>xi</i>
<i>List of Publications and Presentations</i> .....	<i>xiii</i>
<i>Acknowledgements</i> .....	<i>xvii</i>
<i>Statement of Original Authorship</i> .....	<i>xix</i>
<b>CHAPTER 1 INTRODUCTION .....</b>	<b>1</b>
1.1 Background of Research .....	1
1.2 Research Problems .....	2
1.3 Scope of the Research .....	5
1.4 Research Methodology .....	5
1.5 Structure of thesis .....	6
1.6 Conclusion.....	8
<b>CHAPTER 2 PARTNERING, ALLIANCING AND RELATIONAL                   CONTRACTING .....</b>	<b>9</b>
2.1 Introduction.....	9
2.2 Partnering.....	9
2.3 Alliancing .....	16
2.4 Relationship Contracting .....	21
2.5 Conclusion.....	24
<b>CHAPTER 3 CULTURE.....</b>	<b>29</b>
3.1 Introduction.....	29
3.2 What is Culture? .....	29
3.3 National and Organisational Culture.....	31

3.4	Culture and Value .....	36
3.5	Culture Dimensions.....	38
3.5.1	Large or Small Power Distance.....	39
3.5.2	Masculinity vs. Femininity .....	39
3.5.3	Individualism vs. Collectivism.....	40
3.5.4	Strong or Weak Uncertainty Avoidance .....	40
3.5.5	High and Low Confucian Dynamism .....	40
3.6	Commitment .....	41
3.7	Organisational Culture and Structure.....	44
3.8	Trust.....	45
3.8.1	Implications of Trust.....	46
3.8.2	Nature of Trust.....	47
3.9	Culture and Trust in the Construction Industry.....	49
3.10	Conclusion .....	52

## **CHAPTER 4 BACKGROUND OF QUEENSLAND DEPARTMENTS OF MAIN ROADS AND PUBLIC WORKS ..... 55**

4.1	Introduction .....	55
4.2	Background of Queensland Department of Main Roads.....	55
4.3	Project Delivery System.....	56
4.4	Partnering and Alliancing in QDMR .....	57
4.4.1	Relationship Management .....	59
4.5	Background of Queensland Government Department of Public Works.....	62
4.6	Project Delivery System.....	62
4.7	Partnering, Alliancing and Relational Contracting in QDPW .....	64
4.7.1	C21 Construction Contract.....	65
4.8	Conclusion .....	68

## **CHAPTER 5 METHODOLOGY..... 71**

5.1	Introduction .....	71
5.2	Research Background .....	72

5.2.1	Objectives.....	73
5.2.2	Hypothesis.....	73
5.3	Research Methodology.....	74
5.3.1	Organisational Culture and Structure.....	76
5.3.2	Levels of Commitment.....	77
5.3.3	Organisational Structure.....	77
5.3.4	National Culture.....	77
5.4	Scope of the Research.....	78
5.5	Data Collection.....	79
5.6	Data Analysis.....	80
5.7	Summary.....	80
<b>CHAPTER 6</b>	<b>CULTURE SURVEY.....</b>	<b>83</b>
6.1	Introduction.....	83
6.2	QDPW Survey Analysis.....	84
6.2.1	Organisational Culture.....	84
6.2.2	Commitment.....	86
6.2.3	Organisational Assessment.....	87
6.2.4	Culture.....	99
6.2.5	Overview of QDPW Data.....	103
6.3	QDMR Survey Analysis.....	105
6.3.1	Organisational Culture.....	105
6.3.2	Commitment.....	108
6.3.3	Organisational Assessment.....	109
6.3.4	Culture.....	119
6.3.5	Overview of QDMR Data.....	123
6.4	Discussion.....	125
<b>CHAPTER 7</b>	<b>CASE STUDIES.....</b>	<b>129</b>
7.1	Introduction.....	129
7.2	Findings.....	129
7.2.1	Case Study 1.....	130

7.2.2	Case Study 2 .....	132
7.2.3	Case Study 3 .....	133
7.2.4	Case Study 4 .....	135
7.2.5	Case Study 5 .....	136
7.2.6	Case Study 6 .....	137
7.2.7	Case Study 7 .....	139
7.3	Discussion .....	141
7.3.1	Postscripts .....	148
<b>CHAPTER 8</b>	<b>CONCLUSION .....</b>	<b>153</b>
8.1	Introduction .....	153
8.2	Research Hypotheses.....	154
8.3	Conclusions .....	155
8.3	Limitations of the Research .....	158
8.4	Areas for Future Research.....	158
<b>APPENDICES</b>	<b>.....</b>	<b>161</b>
Appendix I	Transactional & Relational Contracting .....	161
Appendix II	Definitions of Partnering, Alliancing & RC .....	163
Appendix III	Culture Questionnaire .....	171
Appendix IV	Survey Results .....	217
Appendix V	Case Studies.....	313
Appendix VI	Relational Contracting Success and Failure Factors.....	345
<b>REFERENCES</b>	<b>.....</b>	<b>349</b>

## LIST OF TABLES

Table 2.1	Australian Partnering Types.....	10
Table 2.2	Comparison of Identified Partnering Benefits.....	14
Table 2.3	Characterises of Services, Opportunistic and Stakeholder Alliances .....	18
Table 2.4	Characteristics of Relational Contract and Construction Contract.....	22
Table 3.1	Comparison between National Culture and Construction Culture .....	35
Table 3.2	'Types' of Commitment Identified by Meyer and Allen.....	42
Table 4.1	Formal Relationship Management Process in QDMR Projects .....	61
Table 4.2	Types of Contracts Used in QDPW.....	67
Table 5.1	Organisation Culture and Structure Defined by Handy.....	76
Table 6.1	Organisational Culture (QDPW).....	85
Table 6.2	Commitment Levels (QDPW).....	86
Table 6.3	Hypothesis Patterns of Systematized, Discretionary and Developmental Models of Structure in Complex Organisations.....	88
Table 6.4	Hypothesised Patterns of Structure mode in QDPW .....	89
Table 6.10	Consensus and Conflict between QDPW and Other Units.....	90
Table 6.14	Frequency of Use of Methods of Conflict Resolution (QDPW) .....	91
Table 6.19	Correlation between Working Relationship Effectiveness and Methods of Communication (QDPW & Other Units).....	93
Table 6.43	Correlation between Perceived Effectiveness of Relationship and Relationship Indices (QDPW) .....	97
Table 6.44	Scores for Australian Professionals on Hofstede Indices .....	99,119
Table 6.45	Importance of Criteria for an Ideal Job (QDPW).....	100
Table 6.46	Levels of Agreement on Statements (QDPW).....	101
Table 6.47	Agreements to Statements in Relation to Project Success or Achieving Objectives (QDPW) .....	102
Table 6.48	Organisational Culture (QDMR).....	106
Table 6.49	Commitment Levels (QDMR).....	108
Table 6.50	Hypothesised Patterns of Structure Mode in QDMR .....	110
Table 6.65	Correlation between Working Relationship Effectiveness and Methods of Communication (QDMR & Other Units).....	114
Table 6.89	Correlation between Perceived Effectiveness of Relationship and Relationship Indices (QDMR) .....	117
Table 6.90	Importance of Criteria for an Ideal Job (QDMR).....	119

Table 6.91	Difference between the Means of QDPW and QDMR on the Importance of Criteria for an Ideal Job using t-test.....	121
Table 6.92	Level of Agreement on Statements (QDMR).....	121
Table 6.93	Agreement to Statements in Relation to Project Success or Achieving Objectives (QDMR) .....	122

## LIST OF FIGURES

Figure 1.1	Research Propositions.....	4
Figure 1.2	Thesis Map.....	6
Figure 2.1	Evolution of Partnering: from Project to Third Generation .....	12
Figure 3.1	Types of Culture as Illustrated Base on System Theory.....	30
Figure 3.2	Components in an Organisational Culture .....	32
Figure 5.1	Research Method .....	74
Figure 7.1	Input-Process-Output Map based on Research Findings.....	152





## LIST OF PUBLICATIONS AND PRESENTATIONS

The following publications were produced by or in conjunction with the author, during her M.Sc. candidacy:

### Refereed Journal Papers

Rowlinson, S., **Cheung, F.Y.K.**, Simons, R. and Rafferty, A. (2006). 'Alliancing in Australia – No Litigation Contracts; a Tautology?', Journal of Professional Issues in Engineering Education and Practice (accepted for publication).

### Refereed Conference Papers

**Cheung, F.Y.K.** and Rowlinson, S. (2005). 'Relational Contracting: the Way Forward or Just a Brand Name?', Proceedings of 1st International Conference on Construction Engineering and Management, Seoul, Korea, October 16th-18th.

**Cheung, F.Y.K.**, Rowlinson, S. and Jefferies, M.C. (2005). 'A Critical Review of the Organisational Structure, Culture and Commitment in the Australian Construction Industry', in (ed) Sullivan, K. and Kashiwagi, D.T. Proceedings of the International Symposium of CIB W92/TG23/W107 on the Impact of Cultural Differences and Systems on Construction Performance, Las Vegas, Nevada, USA, February 8th-10th, 347-354.

Rowlinson, S. and **Cheung, F.Y.K.** (2004). 'Relational Contracting, Culture and Globalisation', in (ed) Ogunlana, S., Charoenngam, C., Herabat, P. and Hadikusumo, B.H.W. Proceedings of the International Symposium of CIB W107/TG23 Joint Symposium on

Globalisation and Construction, Bangkok, Thailand, November 17th-19th, 239-247.

Rowlinson, S. and **Cheung, F.Y.K.** (2004). 'A Review of the Concepts and Definitions of the Various Forms of Relational Contracting', in (ed) Kalidindi, S.N. and Varghese, K. Proceedings of the International Symposium of CIB W92 on Procurement Systems, Chennai, India, January 7th-12th, 227-236.

### Conference Papers

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**Cheung, F.Y.K.**, Rowlinson, S., Spathonis, J., Sargent, R., Jones, T., Jefferies, M.C. and Foliente, G. (2004). 'Organisational Structure, Culture and Commitment: An Australia Public Sector Case Study', in (ed) McCarthy, J.V. and Hampson, K. Proceedings of the International Conference of CRC for Construction Innovation on Clients Driving Innovation, Surfers Paradise, Australia, October 25th-27th.

Rowlinson, S. and **Cheung, F.Y.K.** (2004). 'Relationship Management in QDMR', Road System and Engineering Technology Forum, Brisbane, Queensland, Australia, August 4th-5th.

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### **Presentations**

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**Cheung, F.Y.K.** (2005), *'A Critical Review of the Organisational Structure, Culture and Commitment in the Australian Construction Industry'*, International Symposium of CIBW92/TG23/W107, organised by CIB, UNLV, USA, 8-10 March.

**Cheung, F.Y.K.** (2004), *'Relational Contracting, Culture and Globalisation'*, International Symposium of CIB W107/TG23, organised by CIB, AIT, Thailand, 17-19 November.

**Cheung, F.Y.K.** (2004), *'Organisational Structure, Culture and Commitment: An Australia Public Sector Case Study'*, International Conference of CRC for Construction Innovation, organised by CRC for Construction Innovation, Crown Plaza, Australia, 25-27 October.

**Cheung, F.Y.K.** (2004), *'A Review of the Concepts and Definitions of the Various Forms of Relational Contracting'*, International Symposium of CIB W92, organised by CIB, Indian Institute of Technology Madras, India, 7-12 January.



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## STATEMENT OF ORIGINAL AUTHORSHIP

“The work contained in this thesis has not been previously submitted to meet requirements for an award at this or any other higher education institution. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made.”

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