



**BRITISH ACADEMY
OF MANAGEMENT**

BAM
CONFERENCE

3RD-5TH SEPTEMBER

ASTON UNIVERSITY BIRMINGHAM UNITED KINGDOM

This paper is from the BAM2019 Conference Proceedings

About BAM

The British Academy of Management (BAM) is the leading authority on the academic field of management in the UK, supporting and representing the community of scholars and engaging with international peers.

<http://www.bam.ac.uk/>

Understanding communication breakdown behaviour among alliance parties working on construction projects

May Bratby

**Department of Strategy, Management and Marketing, Birmingham City University,
Birmingham, B4 7BD, United Kingdom.**

Abstract

The objective of this paper is to explore participants' perspectives on communication breakdown phenomena among alliance parties working on construction projects. A grounded theory methodology was adopted; administering 21 in-depth interviews conducted with participants operating at different levels in their respective organisations and at different positions in the supply chain. Analysis of data collected revealed key contributors to communication breakdown, as perceived by participants, to be specifically relevant to contracts and procurement strategies employed and its association with perceived gain/loss expected as a relational outcome of the interaction. Assessing findings through the lens of Predicted Outcome Value (POV) theory, the findings suggest that construction alliance parties' communication act is triggered by predicted relational outcomes that the alliance parties anticipate as an outcome of their relationship; if relational outcome is perceived to be rewarding, then alliance parties may engage in/seek communication. By contrast, if alliance members perceive that a relational outcome may involve a certain degree of loss (financial or otherwise) associated as a relational outcome then they may not pursue communication. Key contributors to communication breakdown behaviour prevailing in construction projects context are identified as: 1) employing contractual forms that adopts confrontational, legalistic, complex and risk shifting approach; 2) employing procurement strategies that focuses on risk shifting rather than collaboration and resolution; 3) employing negotiation procedures that supports cut-throat competition and conformational style of bidding; and 4) employing contracts forms and procurement strategies that focus on negative incentives, coupled with lack of positive joint incentives.

Key words: communication, construction sector, alliance parties, grounded theory.

Word count: 8172 words

INTRODUCTION

Over the past three decades, supported by publication of several government reports, communication has become a central theme of contemporary construction management thinking in the United Kingdom. Since the publication of the influential report 'Constructing the Team' by Sir Micheal Latham in 1994, the report addressed areas of performance facing the construction sector, including communication as one key area both considered problematic and in need of reform. Several reports followed which largely echoed Latham's conclusions and findings, including the Levene 'Efficiency Scrutiny' (Levene et al., 1995); 'Partnering in the Team' (Board, 1997); 'Rethinking Construction' (Egan, 1998); 'Modernising Construction' (NAO, 2001); 'Accelerating Change' (Egan, 2002); 'Never Waste a Good Crisis' (Wolstenholme et al., 2009); and 'The Plan for Growth' (HM Treasury, 2011). Today, more than 20 years on since the publication of Sir Michael Latham's report in 1994 and as noted by several scholars, communication within construction remains problematic (e.g. Hoezen et al., 2006; Dainty et al., 2007; Emmitt & Gorse, 2009).

Recent research in the field of construction management have demonstrated an interest in communication-related studies. Researchers have investigated communication behaviour patterns in connection to crisis management (Loosemore, 1996), communication behaviour relevant to construction meetings (Gorse, 2002; Gorse *et al.*, 1999; Gorse and Emmitt, 2009, 2007, 2003). Others investigated communication effectiveness for design teams (den Otter, 2005 and den Otter and Emmitt, 2007). However, little progress has been achieved in improving construction project communication in the UK (Dainty *et al.*, 2007; Otter & Emmitt, 2007; Hossain, 2009; Emmitt & Gorse, 2009; Adenfelt, 2010). Furthermore, there is no evidence that any research has evaluated communication breakdown phenomena for construction project alliance parties involved at different points in the supply chain. As such, the literature evaluation also reveals that there is a lack of understanding as to how communication breakdown occurs based on the involvement of the various parties typically involved within a construction project alliance. Due to the complexities associated with the construction industry and the project-based discipline required to function effectively within it, the literature addresses various segments and fragments of the problems experienced in terms of communication. This approach misses to identify an overview of the problem of failing communication along with the identification of how all the component parts are linked and influenced by each other in a communication network when concerned with alliance parties at different points within the supply chain.

Thus, as a result of the foregoing preliminary literature research, the purpose of this paper is to explore the phenomena of communication breakdown among construction projects alliance parties by identifying key contributors as perceived by the participants' to result of communication breakdown in this context and through adopting a grounded theory approach.

THEORETICAL UNDERPINNING: REWARD-COST PERSPECTIVE IN COMMUNICATION BEHAVIOUR

Intergroup communication research suggests that people's interactions are often underpinned by their salient social affiliations, as opposed to their individual characteristics (Jones & Watson, 2013). Hence, intergroup communication is concerned with how communication is associated with our self-categorisation as belonging to certain groups in society, but it also evaluates how the group and its membership shape communication (Turner *et al.*, 1987). Scholars (e.g. Harwood *et al.*, 2005) noted that although communication can clearly be witnessed on both an interpersonal and intergroup levels, role of the interpersonal becomes less relevant as encounters become increasingly part of the intergroup context (where groups include, for example, age, ethnicity, cultural orientation, or organisation orientation).

The key factors that were identified by scholars as underpinning intergroup communication behaviour in interactions across different contexts are cognitions, emotions and motivations (e.g. Berger & Calabrese, 1975; Gudykunst, 1983; Sunnafrank, 1986b, 1990; Nusbaum & Henly, 1989; Fussell & Kreuz, 2014; Greenaway *et al.*, 2015). The field of intergroup communication is an area with a strong multidisciplinary orientation, yet the strongest foundation for intergroup communication research falls within two key disciplines: social psychology and socio-psychological. However, as noted by Jones and Watson (2013) intergroup communication research has further expanded to include new areas of research such as intercultural communication (e.g. Neuliep, 2012; Merkin *et al.*, 2014), gender, aging/intergenerational (e.g. Sharma *et al.*, 2014), organisational communication (e.g. Bjerregaard & Jonasson, 2014), and Internet communication (e.g. Ognyanova *et al.*, 2013).

Initial research into intergroup communication can be linked to Tajfel's work on social identity theory (e.g. Tajfel & Turner 1986). In 1985, Gudykunst developed anxiety/uncertainty management theory as an alternative theory to Berger's URT (1975), to explore uncertainty in intergroup encounters, which was based on integrating aspects from uncertainty reduction theory (URT; Berger & Calabrese, 1975) and social identity theory

(Tajfel, 1981). Later on, Gudykunst *et al.* (1992) extended predicted outcome theory perspectives for intergroup interactions based on culturally opposed groups (collectivism vs individualism), through building on predicted outcome value (POV) theory (Sannafrank, 1990, 1986b, 1986a; Sannafrank & Anderson, 1989) that considers the influence of gain and loss perspectives on communication behaviour.

In earlier discussion, one area for which uncertainty reduction theory (URT) was criticised was its supposition that uncertainty reduction is a main aim in interactions. This was refuted by later theories (e.g. problem integration theory and uncertainty management theory), as noted by Goldsmith (2001). Similarly, predicted outcome value (POV) theory also suggested that future relational rewards were critical to interaction behaviour, and whether parties would indeed seek to reduce uncertainty or not, was based on social exchange perspectives that evaluate competing forecasts regarding individuals' interaction with their partners (Sannafrank, 1986a, 1990). This view, as noted by Sannafrank (1986a, 1990), has been illustrated in previous work by several scholars who investigated rewards-costs perspectives on interpersonal communication (e.g., Thibaut & Kelley, 1959; Altman & Taylor, 1973; Homans, 1974; Miller & Steinberg, 1975; Kelley & Thibaut, 1978; Roloff, 1981).

The theory assumes that positive consequences are more likely to occur when these forecasts indicate that future relational rewards outweigh costs. Thus, acquaintances develop an initial predication to guide their expectations for their interactions and relationships, and whether they expect them to continue or to be terminated. The theory also proposed that reducing uncertainty helps individuals decide whether additional interaction with a stranger will be rewarding or costly.

Sannafrank (1990, p.82) suggested that predicted outcome value leads "individuals to communicate in a manner calculated to continue, expand, or escalate their interaction and relationship with initial interaction partners". He stated that this impacts on our communicative behaviours by increasing relevant identified variables: increase communication, non-verbal affiliation, content intimacy, information seeking and liking. An increase in any of the variables impacts on levels of uncertainty, resulting in reduced levels. Thus, a positive outcome value encourages people to increase communication behaviours which are negatively linked to uncertainty. This finding is similar to UTR findings, in the sense that increased communication results in reduced uncertainty.

However, one area of contradiction between POV and UTR is the information-seeking dimension. POV suggests that, when predicted outcome value is high, individuals will increase their information-seeking behaviour which will result in reduced uncertainty. Thus, there is a negative relationship between information seeking and uncertainty. In contrast, UTR suggests that when uncertainty is high, individuals will seek information in an effort to reduce uncertainty. This suggests a positive relationship between information seeking and uncertainty. When POV is negative this results in different uncertainty level associations. Sunnafrank (1990) suggested that, as an outcome of negative POV, individuals will seek to limit or end an initial interaction. This can be seen in a reduction in communication behaviour (e.g. amount of communication, non-verbal affiliation, information seeking, and content intimacy). However, POV also suggests that regardless of levels of uncertainty, communication behaviour will still decline following negative POV. This suggests that there is no association between levels of uncertainty about communication behaviour when POV is negative. The same also applies to liking which, although it reduces under the influence of negative POV, has no association found with levels of uncertainty. This conflicts with the findings of UTR suggests an associative relationship between negative communication behaviour and uncertainty levels.

Consequently, POV proposed that people's motivation to dispel uncertainty is secondary to the goal of anticipating the advantages and disadvantages of relationship development. Thus, from a POV perspective, uncertainty reduction is "subservient to each interactant's primary goal of experiencing positive relational outcomes" (Sunnafrank, 1990, p.79). Sunnafrank (1986a, 1989, 1990) claimed that POV enables an explanation of the various inconsistent results by empirical studies that tested UTR. Sunnafrank (1990) stated that, while Berger and Calabrese (1975) initially argued that the main goal for individuals engaging in initial interaction was to reduce uncertainty with regards to their counterparts interaction behaviours, their later alternation suggested an acknowledgement that uncertainty reduction may not be the main objective in initial interaction. Instead, conditions such as "anticipated future interaction, incentive value, and deviance to identify interactions likely to raise uncertainty reduction concerns and trigger these uncertainty reduction processes" (Sunnafrank, 1990, p.80). Predicted outcome value theory was further extended into intergroup context, for example, Gudykunst et al. (1992) examined the influence of individualism and collectivism on communication in in-group and out-group relationships,

whereby the predicted outcome value's (POV) impact on relationships and communication processes in these relationships was tested.

Predicted outcome value (POV) theory suggests that once a positive prediction of the relationship is developed, subsequent behaviour between communication partners will most likely be viewed in a positive light. Thus, only if a significant disruption occurs, will positive prediction continue. This assumption proposes an end goal for communication, which was criticised by Baxter and Montgomery (1996). Instead, Baxter and Montgomery (1996) described a process of continuous movement and tension for certainty and uncertainty, information-giving and information-concealing, as a never-ending road in which the relationship partners creatively and collaboratively manage the contradictions, a management which tends to fall into one or more dialectical patterns.

METHODOLOGY

This research employs Charmaz's constructionist grounded theory (Mills *et al.*, 2006) that assumes relativism and recognises the mutuality creating of knowledge by the viewer and viewed (Charmaz, 2003). Charmaz's relativist approach allows the capture of multiple participants' perspectives, rather than seeking one main concern, which is often the case in classical grounded theory of Glaser that seeks to identify a core category (Breckenridge *et al.* (2012). As an epistemological stance, constructivism believes that it is people who construct reality and meaning associated with experiences through interactions and interpretations of it (Appleton & King, 2002), rather than a discovering meaning (Crotty, 1998). Howell (2013, p.16) points out that for constructivists "*Knowledge, truth, reality and theory are considered contingent and based on human perception and experience*". The following sections will explain key grounded theory procedures applied within this research.

Qualitative in-depth interviews as a tool for data collection

This research employed in-depth unstructured (early data collection) and semi-structured (later data collection) face-to-face interviews as the main tool for data collection. In line with suggestions of qualitative and grounded theorists (Evans, 2006 and Charamaz, 2014) initial interview strategy administered few open ended questions to elicit information about communication breakdown phenomena and to establish key areas of investigation based on

participants' input. When coding progressed from initial interviews (Phase I), providing clarity on areas of inquiry to pursue and subsequent data collection, semi-structured interviews (Phases II & III) were employed based on established inquiry strategy such as the topics to be covered, as interview guide evolves (Evans, 2006; Babbie, 2008; Charmaz, 2014). Interviews lasted for 45–60 minutes, with some taking less or more time based on level of knowledge/interest of the participants. The interviews were conducted face-to-face, with two interviews conducted via video conferencing platforms (Skype and Gotomeeting) due to distance and the participants' convenience, while others were conducted in café's and public spaces. Interviews were voice recorded and later transcribed. Transcriptions were then anonymised and processed through NVivo software, to proceed with the coding process.

Theoretical sampling technique

A procedure of purposive sampling whereby data collection and analysis takes place simultaneously (Strauss & Corbin, 1990; Huberman and Miles, 1994). The iterative nature of this process also relies on the concept of “constant comparison” between and among data and codes in order to guide further data collection (Lawrence & Tar, 2013).

Coding process

This research employed Charmaz's (2006, 2009, 2014) *three-stage* coding process: open, focused, and theoretical. The application of coding in this research is essentially the analysis of the research data. In order to ensure research rigor, transparency and to support theoretical development NVivo 10 software was also used to aid in the process of coding, memo-ing and diagramming. This research collected data in three main phases. For each phase, data analysis was instrumental to further research decisions – the three data collection and analysis phases are summarised in the following three sections.

Phase I: Data Collection and Analysis

Initial interviews were a pilot study that recruited three participants – names were replaced with Pn (n=number; e.g. P1, P2 and P3). During the interview, the researcher summarised the purpose of the research and confidentiality. The researcher did not follow a rigid process of asking the questions in a certain sequence but allowed the discussion to flow based on participants' answers. This allowed participants to provide information candidly and permitted insightful data to emerge that might have not been covered by the initial questionnaire questions. This could have been hindered by a questioning approach that lacked

flexibility.

Phase II: Data Collection and Analysis

Potential participants were approached by email (13 potential participants), which included several documents: (1) a letter from the University confirming the student's status; (2) a guarantee of confidentiality and the provision of contact details; a research outline describing the research aims and objectives and its expected outcomes; and (3) a covering letter introducing the researcher and a request for consent to participate in the research interview. The invitations yielded a total of 7 confirmations of involvement in communication issues and expressions of interest in taking part in the research interview. Identifying potential participants through a mutual contact was instrumental to gain 'access' and to secure rapport (Creswell, 2007).

Phase III: Data Collection and Analysis

Data collection resumed as confirmations for interviews came through. A total of 11 interviews were conducted at this phase. Further concepts continued to develop, though at a slower rate than the previous stage – this can be noticed from the reduced number of new codes emerging; few new codes were added.

Analysis and discussions of findings

This research analysis identifies that some features relating to contractual agreements, procurement strategies and mechanisms and processes employed within the construction sector, often give rise to communication breakdown due to its association with negative relational consequences and a lack of positive relational consequences. Some of the main features identified to contribute to this includes: 1) employing contractual forms that adopts confrontational, legalistic, complex and risk shifting approach, 2) employing procurement strategies that focuses on risk shifting rather than collaboration and resolution, 3) employing negotiation procedures that supports cut-throat competition and conformational style of bidding, and 4) employing contracts forms and procurement strategies that focus on negative incentives, coupled with lack of positive joint incentives. The following analysis and discussions will explore each of those concepts identified and presented in figure 1.

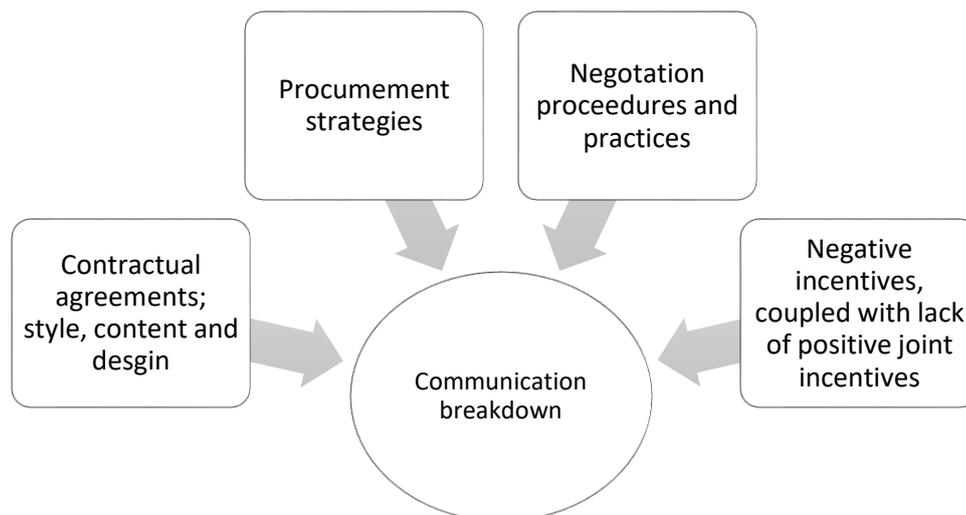


Figure 1. Themes contributing to communication breakdown for alliance parties on construction projects

Contributor 1: The role of Contractual Agreements:

Participants discussed contract style, design and content. The main areas that were identified as the most problematic were: a confrontational ‘Master/Servant’ style instigating hostility; complexity, rigidity and a lack of project management principles which make them insufficiently flexible to address construction project issues in the context of the highly volatile and changing nature of the sector. The following citations from participants P1, P5 and P7 illustrate these points.

Lots of traditional forms of contracts are just that they’re really traditional. They’re written in a legalistic style. They are devoid of project management; they’re written on a ‘Master/Servant’ sort of basis and they’re quite hard work. I think if you read a contract, it’s quite boring. It doesn’t really inspire you and you tend to get a contract out when something goes wrong...it’s like a professional snobbery type contract.

(P1)

Participants also discussed flaws in contracts, such as the inclusion of too many clauses, which allows unfair provisions to be used and permits exploitation, as seen in P5 citation:

A lot of the clauses are there. There’s a lot already written in, there’s a delay allowed for this, a delay allowed for that, so it allows people to start, if things are going

wrong, to look at remedies within the contract that allow failure, if you like, rather than looking at remedies, looking at uses for failure rather than remedies. (P5)

I think sometimes the terms and conditions of contracts are also to blame [...] By you know not allowing for variation orders, by claims, extension of time, not being allowed all these other little things that you just won't allow in the terms and conditions is a problem... (P7)

Participants discussed the way contractual agreements have encouraged adversarialism and confrontation. Some participants noted a difference in this regard between traditional contracts and new forms of contract. Moreover, the complexity and rigidity of contracts in general was also identified regardless of the form of contract used. Several participants discussed the way that contractual agreements shift risk, although this is more associated with traditional forms of contracts. Consequently, due to the failure of contracts to provide collaborative control mechanisms, construction projects often involve adversarial and deviant behaviour to reduce or avoid risk. The following statement from P13 and P3 demonstrate this point:

Well why can't you have those two talking to one another, why does it have to be all the...and the reason it has to be that is because it's a contract and there's you know, penalties and there's timelines and milestones... (P13)

If you get one person who's contractual, especially on the contractor's side, it would just destroy the whole goodwill. And you'll find it harder going forward I think because the contractors are out to try and claw back as much money as possible with the projects now, so it's going to make it even tougher I think... (P3)

Modern forms of contracts, such as NEC were discussed as a better designed contract that facilitates coloration and communication, as noted in P1 citation:

In this contract, it says if you're aware of a problem that could affect time, class or quality, you've an obligation to tell me about it. We will then meet, try and resolve the problem as best we can. [...]. So, the contract doesn't try to shift risk across, it just has a very proactive way in how we openly deal with risk...(P1)

Communication breakdown has been linked to parties' behaviour driven by fear of financial losses and penalties (financial or non-financial). Participants felt that rigid contractual approaches resulted in loss of goodwill, which destroys trust, and the very flexibility needed in the construction project environment. The concern then becomes advancing and protecting self-interest, which puts a strain on communication. These points are illustrated in the following quotes from P14, P2 and P16.

Because sometimes it has been drummed into them: "Now look, because of maybe liquidity damages you must always finish on time." So the client comes and says, "Look, we want this job done." Then we'll straight away get a job done as opposed to pulling the process which has been laid down to make sure that jobs are done properly and costs are properly and they work efficiently, save money that they don't necessarily communicate to who they have to communicate...(P14)

An example of a project that went very badly wrong {...} Let's say became very contractual was a project that the client was [name redacted for reasons of confidentiality] a major contractor and a very well-known consultant at times had been working for and the relationships became so strained on site through the contractual positioning of the contractor, who they had a reputation for being very contractual, that the resident engineer forbade any of his staff to actually speak to any of the contractor staff on site. (P2)

It's all about covering your backside, and you find that it's all about covering yourself from risk and litigation. We're in a more litigious world than we used to be. (P16)

Contracts, in particular traditional forms, are associated with characteristics that contribute to communication breakdown as identified by this research analysis. Some contracts types that are used for construction sector projects are often adversarial, litigious and hostile. They lack joint incentivisation resulting in less collaboration and communication. Contracts that are negatively incentivised may impact on alliance parties' communication behaviour, due to perceived threat stipulated by contracts. Communication between project parties is often constrained by a desire to protect self-interest, which they feel may be endangered by communication.

Several participants suggested that the main driver for (traditional) contracts appears to be based on ‘threat avoidance’. Also, it was suggested that the contracts provide an opportunity to ‘shift risk’ rather than manage it. This is evident in penalty-driven clauses that stipulate severe negative implications as a result of failures and errors. This significantly impacts on collaborative working that is essential for risk management. This results in parties avoiding communication for fear of revealing information that might put them at risk or expose their positions to others who might exploit their weaknesses to shift blame, or to extend self-interest by exposing others’ failings.

Contributor 2: The role of procurement strategies:

Participants discussed the role of procurement strategies employed such as cost-driven strategies for awarding contracts known as a ‘lowest-bid’ contract and ‘lump-sum’ contract on construction projects alliance behaviour and its impact on communication breakdown. While ‘lowest-bid’ contract aims to create a bidding process between potential contractors with the aim of awarding contract to lowest price. On the other hand, lump-sum contract, is a type of contract that provides a blanket price for the contractor to undertake project execution and management, with no allowance for variations. Both types are procurement routes that were identified as problematic and often can result of excessive competitions, unfair negotiation practices, risk shifting across the supply chain parties, opportunistic behaviour and even unethical behaviour. Communication behaviour is influenced by this as participants stated that alliance parties will avoid communicating or adopt dysfunctional (e.g. lacking openness, honesty, or withholding information) communication in an attempt to protect or advance self-interest.

So, we’re not good communicator. We’re not good at telling the truth. I’m not saying that we all lie, but we’re not very open and we’re not very transparent. We don’t earn much money in the construction industry. There is not much profit in it. All these things probably hold you back from being open, honest, transparent, good communicator and helpful – if all that makes sense. (P1)

The choice of lowest-bid approach is influenced by economic factors, as noted by Participant P2:

When times are hard, clients will often go for lump-sum contracts, but when...the economy is buoyant and client wants to get office [...] to market quickly, he'll adopt a much quicker approach [...] one of those such approaches is construction management. (P2)

The main implication resulting from adopting lowest-bid or lump-sum contract, is that profit margins are squeezed to a minimum, all risks are passed back to the main contractor and from there further down the supply chain. As an outcome, supply chain parties will be left unable to deal with unexpected situations due to lack of sufficient funds provided in the contract. Subsequently, this results in a lack of morale and mitigates against collaboration as it is viewed as non-beneficial. Participant P5 described the attitude of construction parties to risk management, which is characterised by lack of collaboration, as illustrated by the following P5 quotation:

In a lump-sum contract the risk of pricing the job, and the risk of how he gets it done is passed completely across to the contractor, and the commercial incentive for the employer and the consultants working for the employer, the normal but wrong reaction is "well, I don't give a damn, it's your problem. You priced for it, do it." So if you do have a target contract suddenly both parties are incentivised by the same numbers to try to improve and try to do things better... (P5)

According to participants, clients are responsible for establishing an excessively cut-throat competition between contractors bidding for projects. Participants in this research were in the view that cost-driven procurement was a short-sighted approach, particularly in comparison with other more collaborative approaches such as outcome focused contract as noted in P13 citation:

I stand back and say, well, actually, why are we even behaving like that from the very beginning, why do you have to behave like that? Well because, we have a recession, because it's very competitive, because you're always looking for the lowest bid to perform a contract, you're not looking for outcomes. If you start looking for outcomes, now you get a very different behaviour. (P13)

Contributor 3: Negotiation procedures and practices:

The negotiation approach adopted by the “client” is also another area that contributes to creating feeling of unfairness in the negotiation and are accused of ‘not allowing contractors’ to make a profit, as noted in P7 citation:

Our client used to do a thing called BAFO, [...] Best and final offer, [...] What they do is they go through a process where they almost make you sit in a room and make you sweat and then you give them the price for doing a job and they go not happy with it, come back in half an hour with a new price.....So they’re chipping away, chipping and chipping away and in reality they cannot do it for that price. (P7)

Lowest-bid procurement can result in damage to relationships and lack of trust prevails due to the existence of generally unfavourable conditions, potentially spiralling costs, rework levels, the existence of penalties and the threat of litigation. In such an atmosphere, project participants often begin with an adversarial mind-set and an attitude driven by self-protection. This can translate into a lack of collaboration, lack of empathy, lack of trust and generally bad behaviour, as illustrated by P7 quotation:

And they’re doing all of this thing and it’s wrong. It’s breeding bad behaviour so straight away before you’ve even won it you’re already miserable, you already know you’re fighting an uphill battle cause we all in here to make money. (P7)

Contributor 4: Negative incentivisation and lack of joint positive incetnvisation

There are two types of financially incentivised contracts: 1) contracts that includes financial penalties for the inability to meet expectations and 2) contracts that includes financial motivation for meeting additional expectations.

Partnering is a phrase used quite often now, nevertheless, due to that contractual agreements are largely penalties driven, particularly for traditional forms of contracts, this impacts negatively on collaborative attempts. If you’re contracted to deliver something for a certain price, at a certain time and from the core contracts if you don’t do that there’s penalties and those penalties can be quite high. So it is an incentivised contract from that point of view. (P5)

Non-financial incentives, also are embedded in contracts and procurement practices which provide negative or positive incentive:

They have clauses in there where it's like key indicators, they might say, if you give us bad publicity, for example you're digging a road here for a client and it attracts negative publicity, they might say, okay, fine, there's a clause in the contract. (P14)

We get scored against other consultants. They send all these scores out saying, "This is where you are in relation to all the other consultants over the UK". (P11)

There's a sense, as expressed by participants, that positive incentives in the form of rewards, were also viewed as contributing to maladaptive behaviour, rather than motivating positive outcomes. This can be explained by the opportunistic behaviour observed between alliance parties, often intensified by extremely low profits associated with lowest-bid and lump-sum contracts as illustrated by the following P3 quotation:

Are they trying to get as much money because, you know, guess what, you'll get a bonus for delivering more if you can squeeze the pips out of this project? (P3)

Thus when participants are presented with an opportunity to maximise financial gain, this can also result in pressure on the supply chain to ensure such gains can be secured. This may indicate that financially positive incentivisation, can also result in negative behavioural issues that influence communication, in much the same way as negative financial incentivisation does.

Behaviours linked to communication breakdown

Participants in this research discussed various behavioural manifestations that leads to communication breakdown and which are linked to procurement strategies, contractual agreements, negotiation procedures and practices and focus on negative incentives and lack of joint positive incentives. The main behavioural manifestation that arise as influenced by previously discussed contributors to communication breakdown are categorised under three main themes as follows:

- Game playing and hidden agendas

- Avoiding behaviour/Protecting self-interest
- Opportunistic behaviour/Advancing self-interest

Theme 1: Game playing and hidden agendas

Participants pointed out to ‘games playing’ being used in communication within this context, as influenced by the negative relational outcomes as a consequence of communication taking place. Other similar terms used by participants also included: hidden-agenda and self-interest. For example, participants discussed the role of deliberately created inaccurate cost identification as a “game” for adding profit through additional variation orders, which are often placed after the award of a contract. Each contractor will be focused on maximising their own benefit and protecting their own interest. This results in collaboration being often viewed as less favourable even because it may involve them having to reveal information that they do not wish to share for fear of exposing areas of weakness that might jeopardise their financial gains, or leave them exposed to financial penalties and non-financial difficulties including reputational damage or loss future business. Thus, alliance parties will often resort to communication ‘games’, in attempt to protect and/or advance their self-interest. This point can be seen in P3 and P4 citations

34) I think it’s going to get worse because of the times we’re in at the moment...I think that because projects are so tight now, I think you’ll find that these games in communication will happen more and more because it’s seen as a way of getting more money back...(P3)

68) I think most people you speak to in the industry recognise that if we collaborated more and were more aligned and communicated more, we would all have a better outcome...But, they don’t how to get it to happen and one of the problems is an awful lot of people make a lot of money out of the present inefficient approach. Lawyers, quantity surveyors, project managers, they make a vast amount of money out of doing it the inefficient way... (P4)

Not communicating or withholding communication, or communicating less effectively or communicating less candidly, is another approach that was linked to hidden agendas for alliance parties, particularly in effort to protect self-interest

Theme 2: Avoiding behaviour/Protecting self-interest

Alliance parties might avoid communicating or withhold communication that might expose their mistakes, for fear of negative consequences resulting of lack of communication as seen in P1 citation:

“Why do you want to know this?” People are quite nosy, but people are suspicious. “If I tell you this, what will you do with that information?” People worry it will be used against them. (P1)

Because communication might be seen as providing information that could potentially risk being exploited by others as demonstrated in citations P4 and P10.

If you are a general contractor and you’ve said to a supplier, “You must now go and build that for this price, it’s a concrete.” You’re not going to share a lot of the information you’ve got, are you? So, you don’t have open information, you’re certainly not going to let them go into your computer system...(P4)

Somebody makes a mistake, which can happen, and they try to cover it up. If I make a mistake I try and be honest about it or say I’ve made a mistake and deal with it, but some people cannot or won’t or... (P10)

Theme 3: Opportunistic behaviour/advancing self-interest

Participants will engage in opportunistic or even unlawful behaviour as driven by contractual agreements, procurement procedures, negotiation practices, etc. As suggested by participants, due to those Features alliance parties often do not trust each other, and consequently they may not find sufficient incentives to collaborate and communicate, as illustrated by the following citation from P8:

You know you are making money within the lump-sum amount, and you don’t want to raise it to the client’s attention, that you’re making money, you may not want to communicate certain issues to him, because you know you’ve made your money. If you’re losing money on the lump-sum contract, because the client has

caused you certain issues, then you certainly want to communicate those issues to them. (P8)

Participants discussed the relationship between communication breakdown and the desire to advance self-interest. It is clear from participants' discussions that alliance parties working on construction projects are often influenced by the desire to maximise opportunities and seek to avoid losses. The suggestion that communication breakdown can even be used as a mechanism to avoid facing certain negative consequences, protect self-interest or to advance self-interest as also presented as seen in P13 citation:

Now here, it could be a conspiracy theory, it may be that they don't want to have better efficiencies, better communications because, when we bid jobs, you know I know companies who will bid jobs pretty tightly and know that because of the inefficiencies, because of the lack of communication there will be change with all these, there will be variations that they will be able to submit to get the prices jacked up okay...(P13)

Communication breakdown a theoretical model: Expected outcome value (EOV) - A reward-cost perspective

Expected outcome value Features relate to the predicted relational outcomes that the alliance parties anticipate as an outcome of their relationship. If the relational outcome is perceived to be rewarding, i.e. there is a gain to be achieved, alliance parties may engage in/seek communication. By contrast, if alliance members perceive that a relational outcome may involve a certain degree of loss i.e. there is a cost (financial or otherwise) associated as a relational outcome then they may not pursue communication. Expected relational outcome in construction projects is often associated with negative value, mainly because of high levels of risk and threat associated with the context of construction sector projects. The perceived loss or gain may be financial (e.g. profitability) or non-financial (e.g. reputational). Figure 2. Illustrates expected outcome value and its contribution to communication outcome.

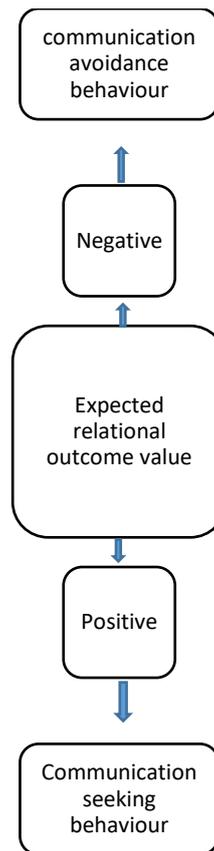


Figure 2. Expected outcome value in communication

Conclusion and recommendations

In order to explore the phenomena of communication breakdown among alliance parties within the construction industry, the contributors to communication breakdown and the underlying causes of this behaviour, an inductive grounded theory study using in-depth unstructured interviews was conducted. Previous studies found in construction management literature affirm that communication problem is one area that both lacks research and in need of improvement (Latham, 1994; Hoezen, 2006; Dainty et al, 2007; Emmitt & Gorse, 2009; Adenfelt, 2010). In addition, very little is known about the causes of communication breakdown between alliance parties working in construction projects and at different positions within the supply chain. The present study addresses the gap in knowledge by exploring the phenomena of communication breakdown for alliance parties working on construction projects in the UK by adopting an inductive approach to knowledge development grounded in participants' experiences and perceptions of the problem and its underlying causes.

The study has identified that some features relating to contractual agreements, procurement strategies and mechanisms and processes employed within the construction sector, often give rise to communication breakdown due to its association with negative relational consequences and a lack of positive relational consequences; main themes identified as contributors to this are: 1) employing contractual forms that adopts confrontational, legalistic, complex and risk shifting approach, 2) employing procurement strategies that focuses on risk shifting rather than collaboration and resolution, 3) employing negotiation procedures that supports cut-throat competition and conformational style of bidding, and 4) employing contracts forms and procurement strategies that focus on negative incentives, coupled with lack of positive joint incentives

The research analysis identified several behavioural manifestations that leads to communication breakdown and which are linked to procurement strategies, contractual agreements, negation procedures and practices and focus on negative incentives and lack of joint positive incentives, as: “Game playing and hidden agendas”, “Avoiding behaviour/Protecting self-interest”, and “Opportunistic behaviour/Advancing self-interest”.

There is a sense that there needs to be a change in procurement strategies, contractual agreements (style, content, and design), and negotiation practices towards a more collaborative and positively jointly incentivised options in construction projects. Given the implications contracts and procurement strategies, processes and practices have on communication behaviour and subsequently the successful delivery of construction project, a considered evaluation by policy makers and construction management is essential, particularly surrounding: 1) developing collaborative working frameworks, 2) developing and adopting contractual agreements that support collaborative and joint incentivised approach and reliance on informal control mechanisms in support 3) developing and employing fair procurement strategies that adopts a win-win mentality and creates positive incentivised approach, and 4) reconsidering negotiation practices used, and to consider ethical sounding approaches that are fair to negotiation parties.

References

- Adenfelt, M., 2010. Exploring the performance of transnational projects: shared knowledge, coordination and communication. *International Journal of Project Management* 28, pp.529–538.
- Altman, I. & Taylor, D.A. (1973). *Social penetration: The development of interpersonal relationships*. Holt, Rinehart & Winston
- Appleton, J.V. & King, L., 2002. Journeying from the philosophical contemplation of constructivism to the methodological pragmatics of health services research. *Journal of Advanced Nursing* 40, pp.641–648.
- Babbie, E., 2008. *The basics of social research*. Thomson Learning. Inc. USA.
- Baxter, L.A. & Montgomery, B.M. (1996). *Relating: Dialogues and dialectics*. Guilford Press
- Berger, C.R. (1979). Beyond initial interaction: Uncertainty, understanding, and the development of interpersonal relationships. *Language and Social Psychology*, pp.122–144.
- Berger, C.R. (1987). *Communicating under uncertainty*.
- Berger, C.R. & Bradac, J.J. (1982). *Language and social knowledge: Uncertainty in interpersonal relations*. E. Arnold.
- Berger, C.R. & Calabrese, R.J. (1975). Some explorations in initial interaction and beyond: Toward a developmental theory of interpersonal communication. *Human Communication Research* 1, pp.99–112.
- Berger, C.R. & Gudykunst, W.B. (1991). Uncertainty and communication. *Progress in Communication Sciences* 10, pp.21–66.
- Bjerregaard, T. & Jonasson, C. (2014). Organizational responses to contending institutional logics: The moderating effect of group dynamics. *British Journal of Management* 25, pp.651–666.
- Board, C.I., 1997. *Partnering in the Team*. Thomas Telford, London ISBN 0 72, 255.
- Breckenridge, J., Jones, D., Elliott, I. & Nicol, M., 2012. *Choosing a methodological path: Reflections on the constructivist turn*.
- Charmaz, K., Denzin, N. K., & Lincoln, Y. S., 2003. Strategies of qualitative inquiry. *Grounded theory: Objectivist and constructivist methods*, 249-291.

- Charmaz, K., 2006. *Constructing Grounded Theory: A practical guide through qualitative research*. SagePublications Ltd, London.
- Charmaz, K., 2009. Shifting the grounds: Constructivist grounded theory methods. *Developing grounded theory: The second generation*, 127-154.
- Charmaz, K., 2014. *Constructing Grounded Theory*. Sage.
- Corbin, J. M., & Strauss, A. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative sociology*, 13(1), 3-21.
- Creswell, J.W., 2007. *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. Sage Publications.
- Crotty, M., 1998. *The foundations of social research: Meaning and perspective in the research process*. Sage Publications.
- Dainty, A., Moore, D. & Murray, M., 2007. *Communication in construction: Theory and practice*. Routledge.
- den Otter, A.F.H.J., 2005. Design team communication and performance using a project website.
- den Otter, A. & Emmitt, S., 2007. Exploring effectiveness of team communication: Balancing synchronous and asynchronous communication in design teams. *Engineering, Construction and Architectural Management* 14, pp.408–419.
- Egan, J., 1998. *Rethinking Construction*. Construction Task Force Report for Department of the Environment, Transport and the Regions.
- Egan, J., 2002. Accelerating change: a report by the strategic forum for construction. *Rethinking Construction*. SF f. Construction, London.
- Emmerson, H. & Emmerson, S.H.C., 1962. *Survey of Problems Before the Construction Industries*. Report Prepared for the Minister of Works. HM Stationery Office.
- Emmitt, S., & Gorse, C., 2006. *Communication in construction teams*. Routledge.
- Emmitt, S. & Gorse, C.A., 2009. *Construction communication*. John Wiley & Sons.
- Evans, J., 2007. Your psychology project: The essential guide. Sage. Chapter 19: The Semi-Structured Interview as Part of Grounded Theory.
<http://dx.doi.org/10.4135/9781446213667.n19>

- Fussell, S.R. & Kreuz, R.J. (2014). *Social and cognitive approaches to interpersonal communication*. Psychology Press.
- Goldsmith, D.J. (2001). A normative approach to the study of uncertainty and communication. *Journal of communication* 51, pp.514–533.
- Goldsmith, D.J. (2001). A normative approach to the study of uncertainty and communication. *Journal of communication* 51, pp.514–533.
- Gorse, C., 2002. *Effective interpersonal communication and group interaction during construction management and design team meetings*. Unpublished PhD. University of Leicester.
- Gorse, C.A. & Emmitt, S., 2003. Investigating interpersonal communication during construction progress meetings: challenges and opportunities. *Engineering, Construction and Architectural Management* 10, pp.234–244.
- Gorse, C. A., & Emmitt, S., 2007. Communication behaviour during management and design team meetings: a comparison of group interaction. *Construction Management and Economics*, 25(11), 1197-1213.
- Gorse, C.A. & Emmitt, S., 2009. Informal interaction in construction progress meetings. *Construction Management and Economics* 27, pp.983–993.
- Gorse, C. A., Emmitt, S., & Lewis, M., 1999. Problem solving and appropriate communication medium. *Association of Researchers in Construction Management*, 2, 511-518.
- Greenaway, K.H., Wright, R.G., Willingham, J., Reynolds, K.J. & Haslam, S.A. (2015). Shared identity is key to effective communication. *Personality and Social Psychology Bulletin* 41, pp.171–182.
- Gudykunst, W.B. (1983). Uncertainty reduction and predictability of behavior in low- and high-context cultures: An exploratory study. *Communication Quarterly* 31, pp.49–55.
- Gudykunst, W.B. (1985a). A model of uncertainty reduction in intercultural encounters. *Journal of Language and Social Psychology* 4, pp.79–98.
- Gudykunst, W.B. (1985b). The influence of cultural similarity, type of relationship, and self-monitoring on uncertainty reduction processes. *Communications Monographs* 52, pp.203–217.
- Gudykunst, W.B. (1988). *Uncertainty and anxiety. Theories in intercultural communication*. pp.123–156.

- Gudykunst, W.B. (1993). *Toward a theory of effective interpersonal and intergroup communication: An anxiety/uncertainty management (AUM) perspective*.
- Gudykunst, W.B. (1995). Anxiety/uncertainty management theory. *Intercultural communication theory*, pp.8–58.
- Gudykunst, W.B. (2003). *Bridging differences: Effective intergroup communication*. Sage publications.
- Gudykunst, W.B. (2004). *Bridging differences: Effective intergroup communication*. Sage publications.
- Gudykunst, W.B. (2005). *An anxiety/uncertainty management (AUM) theory of strangers' intercultural adjustment. Theorizing about intercultural communication*. pp.419–457.
- Gudykunst, W.B., Gao, G., Schmidt, K.L., Nishida, T., Bond, M.H., Leung, K., Wang, G. & Barraclough, R.A. (1992). The influence of individualism collectivism, self-monitoring, and predicted-outcome value on communication in ingroup and outgroup relationships. *Journal of Cross-Cultural Psychology* 23, pp.196–213.
- Gudykunst, W.B. & Hammer, M.R. (1988). The influence of social identity and intimacy of interethnic relationships on uncertainty reduction processes. *Human Communication Research* 14, pp.569–601.
- Gudykunst, W.B. & Mody, B. (2002). *Handbook of International and Intercultural Communication*. Sage publications.
- Gudykunst, W.B. & Nishida, T. (1984). Individual and cultural influences on uncertainty reduction. *Communications Monographs* 51, pp.23–36.
- Gudykunst, W.B. & Nishida, T. (1994). *Bridging Japanese/North American differences*. Sage.
- Gudykunst, W.B. & Nishida, T. (2001). Anxiety, uncertainty, and perceived effectiveness of communication across relationships and cultures. *International Journal of Intercultural Relations* 25, pp.55–71.
- Gudykunst, W.B. & Shapiro, R.B. (1997). Communication in everyday interpersonal and intergroup encounters. *International Journal of Intercultural Relations* 20, pp.19–45.
- Gudykunst, W.B., Yang, S. & Nishida, T. (1985). A Cross-Cultural Test of Uncertainty Reduction Theory. *Human Communication Research* 11, pp.407–454.

- Gudykunst, W., Nishida, T. & Schmidt, K. (1988). Cultural personality and relational influences on uncertainty reduction in ingroup vs. outgroup and same-vs. opposite-sex relationships: Japan and the United States. Presented at the *Annual meeting of the International Communication Association*, New Orleans.
- Harwood, J., Giles, H. & Palomares, N. (2005). Intergroup Theory and Communication Processes. J. Harwood & H. Giles (eds). *Intergroup Communication*. Oxford. Peter Lang. pp.1–17.
- Higgin, G. & Jessop, N., 2013. *Communications in the building industry: the report of a pilot study*. Routledge.
- Homans, G.C. (1974). *Social behavior: Its elementary forms*. (Revised ed.).
- Hoezen, M., Reymen, I. & Dewulf, G., 2006. *The problem of communication in construction*.
- Hossain, L., 2009. Communications and coordination in construction projects. *Construction Management & Economics* 27, pp.25–39.
- Howell, K.E., 2013. *An introduction to the philosophy of methodology*. Los Angeles. Sage Publications.
- Huberman, A.M. & Miles, M.B., 1994. *Data management and analysis methods*.
- Jones, L. & Watson, B. (2013). *Intergroup communication*. Oxford University Press.
- Latham, S.M., 1994. *Constructing the team*. London. HM Stationery Office.
- Lawrence, J. & Tar, U., 2013. The use of grounded theory techniques as a practical tool for qualitative data collection and analysis. *The Electronic Journal of Business Research Methods* 11, pp.29–40.
- Levene, P., 1995. *The Levene efficiency scrutiny into construction procurement by government*. London. The Stationery Office.
- Loosemore, M., 1996. *Crisis management in building projects: a longitudinal investigation of communication and behaviour patterns within a grounded theory framework*.
- Merkin, R., Taras, V., & Steel, P. (2014). State of the art themes in cross-cultural communication research: a systematic and meta-analytic review. *International Journal of Intercultural Relations*, 38, 1-23.

- Miller, G.R. & Steinberg, M. (1975). *Between people: A new analysis of interpersonal communication. Science Research Associates.*
- Mills, J., Bonner, A. & Francis, K., 2006. Adopting a constructivist approach to grounded theory: Implications for research design. *International Journal of Nursing Practice* 12, pp.8–13.
- NAO, M.C., 2001. *Report by the Comptroller and Auditor General.* London. National Audit Office.
- Neuliep, J.W. (2012). The relationship among intercultural communication apprehension, ethnocentrism, uncertainty reduction, and communication satisfaction during initial intercultural interaction: An extension of anxiety and uncertainty management (AUM) theory. *Journal of Intercultural Communication Research* 41, pp.1–16.
- Nusbaum, H. & Henly, A. (1989). Understanding speech from the perspective of cognitive psychology. Presented at the *Workshop on Spoken Language Understanding*, Department of Psychology, State University of New York at Buffalo.
- Ognyanova, K., Chen, N.-T.N., Ball-Rokeach, S.J., An, Z., Son, M., Parks, M. & Gerson, D. (2013). Online participation in a community context: Civic engagement and connections to local communication resources. *International Journal of Communication* 7, p.24.
- Roloff, M.E. (1981). *Interpersonal communication: The social exchange approach.* Beverley Hills, CA. Sage Publications.
- Sunnafrank, M. (1986a). Communicative influences on perceived similarity and attraction: An expansion of the interpersonal goals perspective. *Western Journal of Communication (includes Communication Reports)* 50, pp.158–170.
- Sunnafrank, M. (1986b). Predicted outcome value during initial interactions. A reformulation of uncertainty reduction theory. *Human Communication Research* 13, pp.3–33.
- Sunnafrank, M. (1990). Predicted outcome value and uncertainty reduction theories. A test of competing perspectives. *Human Communication Research* 17, pp.76–103.
- Sunnafrank, M. & Anderson, J. (1989). Uncertainty in interpersonal relationships: A predicted outcome value interpretation of Gudykunst's research program. *Communication yearbook* 12, pp.355–370.

- Tajfel, H. (1981). *Human groups and social categories: Studies in social psychology*. Cambridge University Press Archive.
- Tajfel, H. & Turner, J.C. (2004). *The Social Identity Theory of Intergroup Behavior*.
- Thibaut, J.W. & Kelley, H.H. (1959). *The social psychology of groups*.
- Treasury, H., 2011. BIS, 2011. The Plan for Growth. London. HM Treasury and BIS. p.3.
- Turner, J.C., Hogg, M.A., Oakes, P.J., Reicher, S.D. & Wetherell, M.S. (1987). *Rediscovering the social group: A self-categorization theory*. Basil Blackwell.
- Wolstenholme, A., Austin, S.A., Bairstow, M., Blumenthal, A., Lorimer, J., McGuckin, S., Rhys Jones, S., Ward, D., Whysall, D. & Le Grand, Z., 2009. *Never waste a good crisis: a review of progress since Rethinking Construction and thoughts for our future*.