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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

partnering, within the construction industry, is not being fully committed to through lack of trust. The book identifies those factors and constructs that influence trust in partnering in an effort to create a framework for potential improvements in practice through strategies specifically linked to motivational, organisational, ethical, and economical trust-building initiatives.

The book provides the framework of a 'partnering toolkit' for improved project outcomes. From this perspective, it is intended as a practical guide to raise awareness of best practice and instil more trust in construction contracting. The lack of trust in the construction industry has been documented by authoritative sources over many years. The book will seek to address this ongoing dilemma and recommend improvements to collaborative procurement processes and encourage more successful team integration and collaborative ways of working. This is a deliberate attempt to improve construction practices, which have arguably not been delivering the impact, and benefits that were intended in terms of successful collaborative project outcomes. Various government reports have reinforced this dilemma over the years. Early work in this respect included the *Simon Report*, *Emmerson Report*, *Banwell Report*, and *Potts Report* (Simon 1944; Emmerson 1962; Banwell 1964). These were followed by *Constructing the Team*, Latham (1994), *Rethinking Construction*, Egan (1998), and *Accelerating Change*, Egan (2002). All the aforementioned reports highlighted the deficiencies with construction-related business approaches in terms of low performance, failure to meet client satisfaction levels, and need for efficiency measures. Another recent example includes *Construction 2025, Industry Strategy: Government and Industry in Partnership* (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. More recently, this dilemma has been reiterated and become a major feature of *Modernise or Die: The Farmer Review of the UK Construction Labour Market* (Farmer 2016). Furthermore, findings from the *Low Carbon Construction Final Report* (HM Government 2010) confirm the growing need for increased collaboration and integration across the industry, especially between supply chains and clients, in order to make greater contributions to the pursuit of efficiencies.

The mentioned emphasis on the need for improvements in collaboration and integration are especially crucial given the low achievement of UK construction projects, when compared with other sectors. The UK Industry Performance Report, (Construction Excellence 2016) based upon a survey of projects, analyses a number of construction key performance indicators (KPIs). The survey shows that when considering both design and construction phases, 'just' 65% of projects meet budget requirements and 66% meet time predictability targets. Whilst these figures are reported positively by NBS (2018) to be improvements on previous years' performance levels, clients may wish to read them in terms of projects that do not complete successfully; 35% over-budget and 34% late. In terms of satisfaction levels, Construction Excellence (2016) also reports on the percentage of projects or responses that achieve a rating of 8 out of 10 or better. Clients rated their 'overall satisfaction with the finished product' as 90%; 'service received from contractors' 81%; 'value for money' 80%; and 'condition of the facility in respect to defects' 78%. In terms of 'contractor satisfaction with the performance of clients and consultancy teams', 77% rated performance as 8 out of 10 or better. Whilst this 2016 report suggests there are improvements on previous years, questions need to be asked. Why only 8 out of 10 and not 10 out of 10? If clients rate 'condition of the facility in respect

to defects' as 78% in 8 out of 10 cases, what about the other 22%? Imagine taking a new car from a showroom, and 22% of customers' rate defects on their cars at less than 8 out of 10 – perhaps 4 or 5? Even with these improved figures, the margins for improvement in construction seem substantive.

In light of the aforementioned satisfaction levels, the book is intended to assist academics, construction-related practitioners and clients in their awareness, understanding, and breadth of knowledge of the issues around building trust between contracting parties on projects. This objective has the overarching aim of delivering projects that are more successful. This is felt to be particularly important as in previous studies into collaborative working, very little attention has been focused on trust-building processes. In addition, scant attention has been paid to the role and development of trust in the practice of construction procurement (Thorgren et al. 2011). There is also a need to address calls for greater insight into how trust is created, mobilised, and developed (Huemer 2004) and for more understanding of the effects and impact of other factors interacting with trust (Huang and Wilkinson 2013). The book has sought to address gaps in the literature gaps through examination of trust-building constructs and mechanisms, and the influence of these on generating trust in construction relationships. For this reason, early chapters are focused on theory and literature from academic sources. Case studies and practical examples have, however, been included to assist readers on how theoretical perspectives can be applied to real-life construction projects and scenarios. The book has also addressed academic calls for greater insight into how trust is created, mobilised, and developed and for more understanding of the effects and impact of other factors interacting with trust. There is frequent reference to construction practitioners' views and opinions throughout, and these have been sought through research carried out in 2015 from a small sample of semi-structured interviews. Participants in these interviews included clients, design consultants, main contractors, and subcontractors. The sample size for participants is not intended to represent fully the population at large, owing to constraints on the study, but it was designed to attract more widespread insights than if only one or two specific participant groups had been targeted.

There have been few books which have been written on the specific subject of incentivising trust in construction specifically through interventions. Those which have been published have largely focused on theoretical studies examining different contracting behaviours and relational analysis of construction contracts. Furthermore, the component elements of trust have been covered previously, but there has been very little to articulate how these can be incorporated into construction procurement strategies. This book, drawing on case studies from the authors' experiences and interviews, takes a different approach to trust in construction by asking some very fundamental questions:

- What is the importance and influence of trust on collaborative working and partnerships principles?
- What is the extent to which trust within collaborative working arrangements influences the success of collaborative working practices?
- What influence do certain factors and trust-building mechanisms have on collaborative working and partnerships and how can these interventions be best embedded into procurement of projects?
- What constitutes best practice and what is the extent to which trust in collaborative procurement practices influences the success of construction projects?

The findings of the book are presented to encourage professional practitioners to implement improvement measures through trust-building interventions. The introduction of such mechanisms are explained in the book and presented as a practical guide, or toolkit, for improvements in construction project procurement practice. Reading this book will hopefully support the development of a deeper understanding of the benefits of having trusting relationships between contracting parties in terms of improved outcomes for construction projects. With a better insight into how trust can be instrumental to project success, there should be the potential to embrace the true philosophy of collaborative working and therein promote better management practice. The book is not intended as a holistic course textbook albeit it could be worthy inclusion on a recommended reading list for courses related to construction procurement. The partnering toolkit for improving trust on projects, in Chapter 10, could be used as a basis for short-term training or conference proceedings for professional institutions and public sector organisations. Notwithstanding this, it is not intended solely as a practitioner guide. Rather, the book aims to cross divides and provide useful insight to students, academics, and practitioners in developing their understanding of the topic area.

Although the research was undertaken in the United Kingdom, and all findings are likely to therefore have best fit with the UK construction industry, the overall knowledge and understanding provided by this book will have international relevance. Other countries seeking to develop trust-building strategies in collaborative working practices using similar approaches to the United Kingdom will be able to utilise the book, with consideration of how the findings fit with their own understanding in practice.

Finally, it is worth acknowledging that the three authors have all individually gained over 30 years' experience of construction management from both practitioner and academic perspectives. From this, the book has drawn on both academia and practice, and it seeks from both these perspectives to prove an important insight into an area which has long been problematic for the construction industry.

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