

CHAPTER II

LITERATURE REVIEW

2.1. Construction Project

Construction project commonly has three main aspects, owner as the owner of the project, consultant as the designer, and contractor as the one that doing the project under the supervision of the consultant. This three organizations or person that stated above create a bond in a working relation due to one main objective, which is finishing the construction project (Manson, 1993).

According to Collier (1987):

1. Owner is the first party in construction project. Owner is the person or company which owns the construction project. Owner has the responsibility to pay the contractor.
2. Designer/ Consultant are the owner's agent. He is employed by the owner to design the work and to arrange for the construction contract and to inspect the work to see that is being done in accordance with the contract.
3. Contractor is the second party in a construction project. Contractor is the person or company which is chosen by the owner. Contractor has the responsibility to build the construction project described in the contract documents in return for payment by the owner by the sum/ amount stated in the agreement.

2.2. Construction Management

Project management can be defined as the art and science of coordinating people, equipment, materials, money and schedules to complete a specified project within the constraints of time, budget, and quality to the satisfaction of everyone involved (Oberlender, 2000).

Oberlender also said that the management is often summarized into five basic functions: planning, organizing, staffing, directing, and controlling. Although these basic management functions have been developed and used by managers of businesses, they apply equally to the management of a project. These are five basic functions:

1. Planning is the formulation of a course of action to guide a project to completion. It starts at the beginning of a project, with the scope of work, and continues throughout the life of a project. The establishment of milestone and consideration of possible constrains are major parts of planning. Successful project planning is best accomplished by the participation of all parties involved in a project. There must be an explicit operational plan to guide the entire project throughout its life.
2. Organizing is the arrangement of resources in a systematic manner to fit the project plan. A project must be organized around the work to be performed. There must be a breakdown of the work to be performed into manageable units that can be defined and measured. The work breakdown structure of a project is a multi-level that consists of tasks, subtasks, and work packages.

3. Staffing is the selection of individuals who have the expertise to produce the work. The persons that are assigned to the project team influence every part of a project. Most managers will readily agree that people are the most important resource on a project. The numerous problems that arise throughout the life of a project are solved by people.
4. Directing is the guidance of the work required to complete a project. The people on the project staff that provide diverse technical expertise must be developed into an effective team. Although each person provides work in his or her area of expertise, the work that is provided by each must be collectively directed in a common effort and in a common direction.
5. Controlling is the establishment of a system to measure, report, and forecast deviations in the project scope, budget, and schedule. The purpose of project control is to determine and predict deviations in a project so corrective actions can be taken. Project control requires the continual reporting of information in a timely manner so management can respond during the project rather than afterwards. Control is often the most difficult function of a project management.

2.3. Construction Project Objective

The first step in the planning process is to define the project objective, the expected result or end product. The objective must be clearly defined and agreed upon by the customer and the organization or contractor that will be perform the project. The objective must be clear, attainable, specific, and measurable.

Achievement of the project objective must be easily recognizable by both the customer and the contractor. The objective is the target, the tangible end product that the project team must deliver. For a project, the objective is usually defined in terms of scope, schedule, and cost; it requires completing the work within budget (Gido and James, 2003).

2.4. Definitions of Conflict

These are many definitions of conflict:

1. A term conflict (*conflictus*, in Latin) means clash, dispute, and irreconcilability (about certain situation) (Cirovic and Plamenac, 1997).
2. Conflict is an intermediate stage of spectrum of struggle that escalates and become more destructive: differences, disagreement, dispute (conflict), campaign, litigation, and fight or war (Warren, Myra and Spangle, 2000).
3. Conflict is an expressed struggle between at least two interdependent parties who perceived incompatible goals, scarce resources and interference from the other party in achieving their goals (Warren, Myra and Spangle, 2000).
4. Conflict is a social phenomenon that is found in personal, group or organizational interaction (Bercovitch, Jacob, 1999).

2.5. Conflict in Organizations

Organizations are living systems consisting of interacting units performing a task in a mutually dependent manner within a structure of scarce resources. It seems commonplace to suggest that conflicts would be present in such a setting.

The parties in an organization may have a conflict about the distribution of resources, or they may have a more fundamental conflict about the very structure of their organization and the basic nature of their interaction. Once the parties are in a situation of goal incompatibility, their conflict develops in a dynamic fashion, initiating valuable and much needed constructive changes or leading to escalating strategies and destructive consequences.

As there is nothing pre-determined about its course or development, it seems erroneous to view conflict from a negative perspective only as destructive or dysfunctional. It is true that conflict may be uncomfortable, it may even be a source of problems, but it is absolutely necessary if change is to occur, if organizations are to survive and adapt. Organizational change and innovation does not just happen, it requires a stimulant. That stimulant is conflict (Bercovitch, 1999).

2.6. Classification of Conflict

Bercovitch explain that in organization have conflicts that originate in the individual person, conflicts that have their basis in the relationship between individuals, and conflicts that occur as a result of interaction between groups.

These may describe as:

1. Intrapersonal Conflict

Intrapersonal conflict is internal to the individual (though its effect can profoundly influence organizational functioning) and is perhaps the most

difficult form of conflict to analyze and manage. Intrapersonal conflict is basically a conflict between two incompatible tendencies.

2. Interpersonal Conflict

Interpersonal conflict emphasizes the interaction of human factors in an organization and essential aspect of organizational life. As the sources can broadly suggest two classes of factors:

- a) Personal; individuals are not identical, constant, or consistent. Interaction between individuals with different attitudes, values, and needs can produce conflict behavior and affect organizational performance.
- b) Functional; individuals in organization have roles which are expected sets of behavior associated with their position. In practice, however, role specifications tend to be ambiguous and incomplete, and in their interaction with others, some individuals often feel dissatisfied with their role or position, or they may feel that their aspirations for higher positions are being frustrated.

The causes of interpersonal conflict in organization can be ascribed to personal differences (interaction between dissimilar people maximizes conflict potential), perceptual differences (individual perceive an unfair allocation of organizational resources), and functional differences (conflicts arising from incompatible role requirements).

3. Interdepartmental Conflict

The factors which affect the interaction structure between departments and create the condition for interdepartmental conflict include: different attitudes

between line and staff units, organizational size (directly related to level of conflict), and standardization (inversely related to conflict), physical or communicational barriers between departments, unequal access to authority, rewards or organizational resources and ambiguity or uncertainty in assigning tasks or rewards to different department.

2.7. Conflict in Construction Project

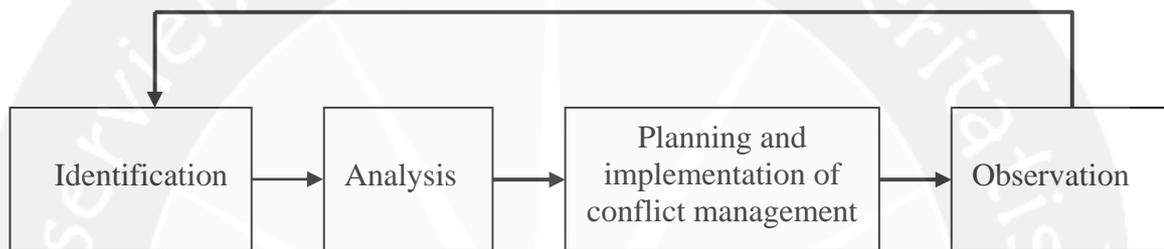
Conflict is normal in the construction industry. Conflict situations in construction industry are the consequence of great volume of construction industry scope of activities, large number of participant, long term realization and the essence of numerous problems that appear and should be solved during such realization.

Because projects are staffed by people, and people have conflicts, then it is expected that projects will experience and be affected by conflict. These can be internal conflicts, as with two members of the project team no getting along, or external conflicts, as between a member of the team and a support organization such as accounting/ finance, contracts, human resources and so forth (Eisner, 1997).

2.8. Conflict Management

Conflict can be considered an inevitable part of running a project, especially a large one. It is not necessarily and always negative. It often can be turned into a positive, growing and learning experience (Eisner, 1997).

Conflict management is the process of planning to avoid conflict where possible and organizing to resolve conflict where it does happen, as rapidly and smoothly as possible. In the construction the principal responsibility for handling the conflicts belongs to the project managers. Some steps to follow in conflict management process can be seen in Figure 2.1.



Source: Pena-Mora, Sosa and McCone, D. Sean (2003), "Introduction to Construction Dispute Resolution" Pearson Education, Inc., New Jersey.

Figure 2.1. Management Conflict Process

2.9. Area of Conflict

The conflict areas based on Eisner (1997):

1. Schedules
2. Costs
3. Priorities
4. Staffing
5. Technical opinions
6. Personality
7. Procedures

Conflicts regarding impersonal issues (schedule, costs, etc.) can be easier to deal with than personal issues. In principle, the former deal with different perceptions of objective facts. Personal issues are less than objective and people will be at odds with one another simply because they do not like or approve of one another. Conflicts and conflict management should be considered part of the job. The question is how to deal with it when it does occur and what are one's individual propensities toward coping with conflict situations? These are referred to in the literature as conflict resolution styles.

2.10. Sources and Causes Conflict

There are many causes of conflict (Henk Botha, 2000):

1. Misunderstanding

Misunderstandings usually occur because of poor communication. There is no dialogue, but a monologue: both persons are speaking, but not one is listening or hearing.

2. Values

Values differ between people, professions, and skills.

3. Interest

People often have unrealistic expectations. The client wants quickness and a quality building at a low price. The contractor may want more time, a more reasonable quality and maximum price.

4. Personalities

Emotions play a role. Also, the ability to handle stress causes conflict. A person's self-esteem (or lack of it) can also cause conflict.

5. Environment

Factor under this heading include language, dynamics, geography, childhood experience, upbringing and religion.

6. Education

Education levels, both structured and unstructured learning can have an influence on conflict.

7. Experience

It often happens that a contractor knows a solution won't work, while the client doesn't. A contractor thinks a solution will work, while a client doesn't agree.

8. Beliefs

9. Uniqueness of each project

Many things are different between projects. There are different teams, funders and designers.

10. Visualization

Not all people are equally skilled to visualize two-dimensional drawings in a three-dimensional way.

11. Changes

Changes to plans, deadlines, payment dates, and so on, can cause conflict.

12. Delays

It does not matter whom or what one must blame for a delay. It could be the weather, a subcontractor, the bank or whoever. The mere fact that there is a delay could cause conflict.

13. Quality

Parties often inadequately define quality. High quality may mean different things to a plasterer and to the project director or project manager. One must use objective standards to define materials and workmanship. One must precisely describe what one requires. A client may specify a much higher standard than what he really wants while wanting a lower price.

14. Money

From the research of Kerzner (2001) and Thamhain (1984) to 150 project manager, they are identified seven potential conflict sources in construction project:

1. Conflict over project priority.
2. Conflict over administrative procedures.
3. Conflict over technical opinion.
4. Conflict over resource.
5. Conflict over cost.
6. Conflict over schedule.
7. Personality conflict.

2.11. Conflict Resolution Styles

People approach conflict in different ways and these can be identified and measured. As an example, conflict styles may be articulated as:

1. Competing (Forcing)

Power is used to resolve a conflict. This may be done in a variety of ways. The most obvious is to utilize the dominant position as a supervisor in order to force resolution. This may temporarily resolve the conflict, but it may not persuade or convince anyone to change positions. The power may be applied directly or even subtly, but competing or forcing is not a long-term and reliable way to resolve conflicts. In certain situations, it may exacerbate the conflict and cause people to respond in kind when they have greater power leverage.

2. Compromising (Sharing)

The compromising or sharing style involves trying to find a position that is acceptable to all parties. It is a classical “negotiation” stance and can often lead to an effective resolution. Unfortunately, the results may be acceptable in terms of human relations but may be wrong for the project. Some researchers in the area of conflict resolution have also called this approach the “lose-lose” solutions because the combatants each lose a little in order to come to a resolution. This approach might work well in international negotiations, but has its shortcomings in a project context.

3. Avoiding (Withdrawal)

The avoiding or withdrawal approach simply refuses to come terms with the conflict and face it squarely. Under these conditions, of course, the conflict remains and festers like a bad sore. No resolution occurs and a poor model of behavior is established. The conflict may go underground for a while, but because its essence is not dealt with, it does not really go away. Many novice managers adopt this mode of behavior because they are unsure as to their position, power, and skill in contentious situations. It is not a recommended way to resolving conflicts because it really “pretends” that the conflict does not exist or, if it does, is not in need of action.

4. Accommodating (Smoothing)

The accommodating or smoothing solution acknowledges the conflict but plays down its severity or possible impact. This approach is sometimes referred to as suppressions because its ultimate purpose is to dampen the conflict and reduce its potential effects. It can be a good approach when the conflict can not be dealt with at the moment it occurs. In short, accommodating may be a good temporary solution but it does not really resolve the conflict. It is recommended only when the situation at hand does not provide sufficient time to tackle the conflict in a more fundamental manner.

5. Collaborating (Problem solving)

A collaborating or problem solving style recognizes that the combatants have a right to state their different views and that all views are accepted as

valid. In this mode, there is encouragement to bring all views and perspectives to the forefront so that they can be explored in detail. The objective of this approach is not only to collaborate, but also to truly solve the immediate problem. It may indeed have the ultimate effect of teaching people how to resolve conflicts in a productive manner. This, of course, is the recommended conflict resolution mode and when skillfully applied, can support the long-term effectiveness of the project team (Eisner, 1997).

2.12. Conflict Resolution Approaches

Bercovitch (1999) distinguishes five conflict resolutions to manage interpersonal conflict in organization, these are:

1. Withdrawal: manage interpersonal conflict by avoidance.
2. Smoothing: involves emphasis of common, organizational interest and yielding by one or both parties.
3. Compromise: manage conflict by expecting each person to give up something.
4. Forcing: interpersonal conflict is managed in fashion which compels one person to acquiesce.
5. Problem solving: attempt to achieve close collaboration and integrative decision making between individuals.

Different from Bercovitch, Moore (1996) identifies five styles other conflict resolution approaches:

1. Win-lose: high concern with personal goals but low concern with relationship.

2. Yield-lose: low concern with personal goals but high concern with relationship.
3. Lose-leave: low concern with both personal goals and relationship.
4. Compromise: moderate concern for both personal goals and relationship.
5. Integrative: high concern for both personal goals and relationship.

While these five modes are recognized in view of their effectiveness in deriving an atmosphere that can bring about constructive result in a conflict, they can be related to the five styles mentioned previously. Table 2.1 presents the distinction between the five methods and their relationships with the styles.

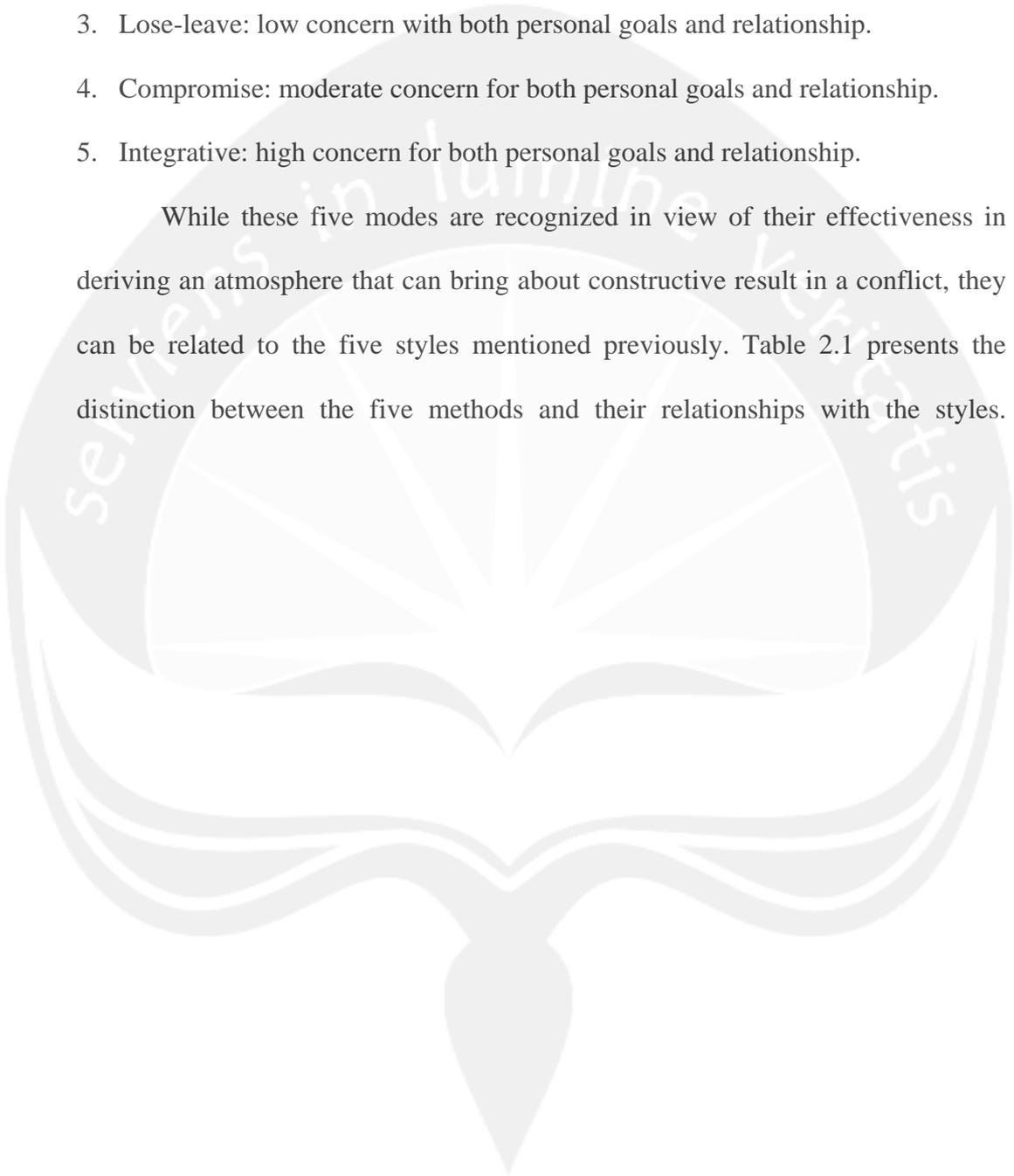


Table 2.1. Styles of Conflict Resolution Methodologies

Conflict Resolution Approaches	Description	Styles	Personal Goals	Relationships
<i>Force</i>	Exerting one's viewpoint at the potential expense of another party.	<i>Win – Lose</i>	High	Low
<i>Smoothing</i>	Deemphasizing differences and emphasizing commonalities over conflict issues.	<i>Yield – Lose</i>	Low	High
<i>Withdrawal</i>	Retreating from actual or potential disagreements and conflict situation.	<i>Lose – Leave</i>	Low	Low
<i>Compromise</i>	Considering various issues, bargaining, and searching for solutions that attempt to bring some degree of satisfaction to the conflict parties.	<i>Compromise</i>	Medium	Medium
<i>Problem Solving</i>	Regarding a conflict as a problem to solve rather than a battle to win in order to achieve mutual satisfaction by taking care of both relationships and conflict interests.	<i>Integrative</i>	High	High

*Source: Ock and Han (2003), “Lesson Learned from Rigid Conflict Resolution in an Organization: Construction Conflict Case Study”
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