

Causes and Impact of Conflict among Stakeholders in Public Project Execution in the Construction Industry in Jos Metropolis

Lot Sunday Adas¹, Prof. I.Y Mohammed², Ibrahim Gambo³

(Research Scholar Department of Building Technology AbubakarTafawaBalewa University, Bauchi)

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ABSTRACT

Construction projects attract interest from various stakeholders who express needs and expectations about the project and this alone can bring about conflict of interest from the various stakeholders. The construction industry plays a major role in both economy and infrastructure project delivery worldwide. However, one major critical characteristic of the construction industry is a high cost incurred by the resolution of arising conflicts in projects. Conflict, whenever managed effectively, can contribute to organizational effectiveness, but when mishandled, can give rise to counter-productive behaviour in which both sides loose. This research is aimed at studying the impact of conflict in public project execution between stakeholders in the construction industry by examining selected construction firms and projects from inception and design through completion, the following objectives will aid in the research To identify the cause(s) of conflict among stakeholders in the construction industry. To determine the nature and impact of stakeholder influence on public project execution. To examine the role of construction professionals to make project execution more profitable and less stressful. To determine how construction projects can be managed on time, within budget and without major conflict. To examine how conflict can be minimized and evaluate various alternatives open to an organization in managing conflicts. The findings showed that conflict in public project execution is found to occur most strongly at the procurement and construction stages with 27.8% and 38.9% respectively, Conflict in public project execution occurs most frequently in the key relationships of the contractor and the client 33.3% and the contractor and the consultant 27.8%, the respondent are satisfied with arbitration, bargaining and compromise, and litigation as means to be adopted for conflict resolution in the construction

industry. It was concluded that conflict occurs most frequently in the relationship of the contractor and the client, and that of the contractor and the consultant: this is so because they have differences in perceptions, priorities and goals, conflict occurs mostly at procurement and construction stages. These are stages that multitude of people with different skills and interests are involved in public project execution in the construction industry.

I. INTRODUCTION

Conflict is defined as a state of opposition between two or more individuals or parties. A conflict situation is therefore, one that is characterized by the inability of those concerned to address their difference and thus, does not necessarily have to result to strikes. Conflict is a natural disagreement resulting from individuals or groups that differ in attitudes, beliefs, needs or values as stated by Fajana (2000). Kolawale and Anigbogu (2004) gave synonyms of the word "conflict" which bring different shades of its actual meaning, these include struggle, fight, serious disagreement, argument, controversy, opposition, difference. Cole (2000) defines conflict as a condition that arises whenever the perceived interests of an individual or group clash with those of another individual or group in such a way that strong emotions are aroused and compromise is not considered to be an option. Conflict is normal in the construction industry as it embraces many crafts and profession. As pointed by Botha (2000), it should be expected after all, the construction industry is one of the most diverse industry involving many parties each with its own values, beliefs, interest, education and needs. The construction industry plays a major role in both economy and infrastructure project delivery worldwide. However, Ng Pana-Mora and Tamaki (2007) noted that one major critical characteristic of the construction industry is a high cost incurred

by the resolution of arising conflicts in projects. As a result, project managers are seeking ways to avoid conflicts and resolve them effectively and equitably when they happen. Due to survival imperative, basic goods and services have to be produced by man. To achieve this, he has to go into a social relation where he sells his labour. Conflict situation is viewed for the most part a product of the labour market. This places human beings in society into two groups; those that have their labour power (employees) to sell and the buyer of labour power (employer) who owns the means of production as explained by Gyang (2006). This kind of relationship is unequal and will definitely lead to exploitation of the disadvantage group; the end of such a relationship is conflict. Conflict is a universal phenomenon that is not limited to a

particular organization. Since conflict routinely “touches” everyone in the course of their daily lives, then it is likely to exist in projects. Kezbon (1992) pointed out that conflict will exist on all projects and that in the context of project team, conflict is inevitable occurrence.

OBJECTIVES

1. To identify the cause(s) of conflict among stakeholders in the construction industry.
2. To determine the nature and impact of stakeholder influence on public project execution.
3. To examine the role of construction professionals to make project execution more profitable and less stressful.

II. REVIEW OF LITERATURE
CONCEPTUAL FRAMEWORK OF THE CAUSES AND IMPACT OF CONFLICT AMONG
STAKEHOLDERS IN PUBLIC PROJECT EXECUTION IN THE CONSTRUCTION INDUSTRY

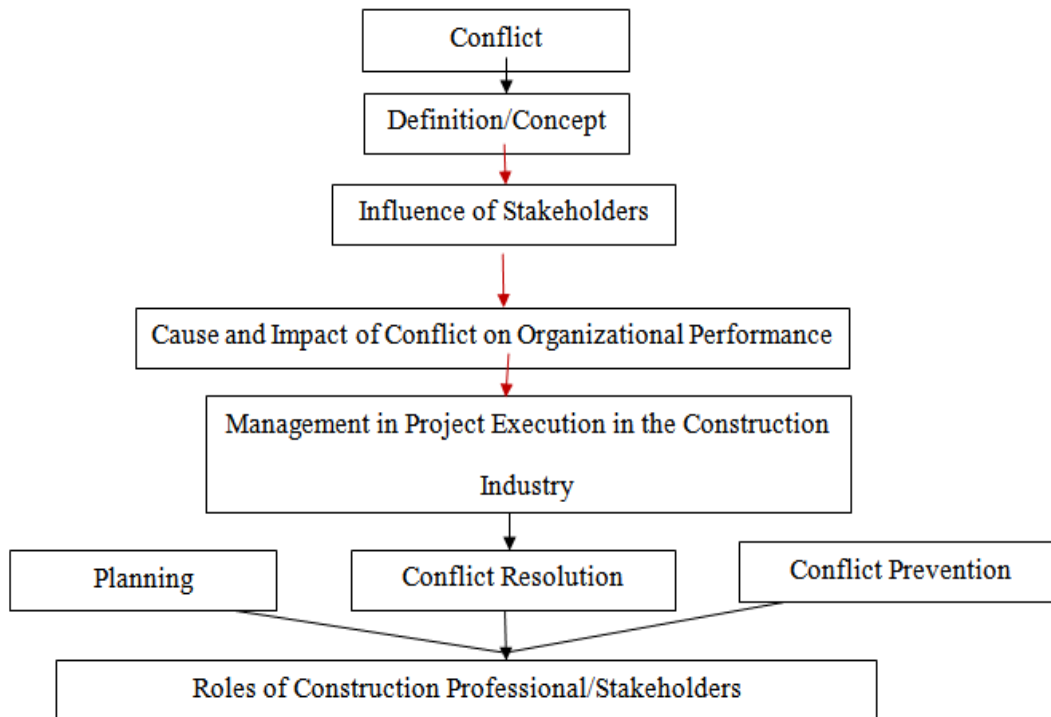


Fig. 1

Source: Adas, (2022)

Figure 1 above shows the conceptual framework of the causes and impact of conflict in project execution among stakeholders in the construction industry. As shown in the figure, the research concept adopted commenced with the definition/concept of conflict. Nature, structure and characteristics of organizational conflict and the nature and impact of stakeholders influence on

project execution was identified from relevant literatures and discussion with construction professionals/stakeholders. The research also established alternatives open to conflict management in project execution in the construction industry and as well examined the roles stakeholders play to achieve the organization set objectives.

The Concept of Organizational Conflict

The concept of conflict is a complex term. While some see the concept as a problem which must be avoided, others see it as natural and inevitable outcome in any group. Team exists for a purpose, to complete a job, solve a problem, make a recommendation, select an option, etc as reported by Jerry (1995). Its purpose can be called task behaviour. Its ability to discharge its task depends in part upon a common understanding of the task, and in part on how well people collaborate together in working towards it. Van de Vliery (1985) noted that conflict is a means by which radical change is brought about. He further explained that it is an effective device by which management can change drastically the existing structure, current interaction patterns and entrenched attitudes. The ultimate goal of management is to coordinate productive resources with the aim of achieving its objective as stated by Deery (2001). One of the resources that need to be coordinated is that of human labour. For the manager, this is the most difficult resource to manage because employees may have alternate interests that intersect with that of management.

Conflict is both a disruptive force within an organization and a primary source of individual stress, yet it is not entirely destructive. A total absence of conflict would be unbelievable, boring and strong indication that such conflicts are being suppressed as explained by Nmadu (1999).

An important factor in determining whether conflict will arise from managing is the approach with which the function of management is viewed. The first approach to management is the unitary approach. The idea behind this theory is that the workplace is an “integrated and harmonious entity that exist for a common purpose as stipulated by Bray, Deery, Walsh, and Waring (2005). There are several assumptions upon which this model of the employment relationship rests. The organization first comprises an integrated group of people. The organization also has a simple authority and loyalty structure. Finally, the manager and employees have a common set of values and objectives. With this last assumption, the manager manages to the interest of the organization. It follows on from this idea that management’s prerogative is legitimate, rational and accepted as stated by Rose (2004).

Conflict in the Context of Construction Projects

The construction industry as noted by Kolawole and Anigbobu (2004) is subjected to high occurrence of conflict. The construction industry requires cooperation from design through completion. Interdependent relationships exist between owners,

contractors, subcontractors, architects, suppliers, lenders, insurance carriers and bonding companies. Yusufu (2000) pointed out that project teams are typically composed of persons who will disagree simply because team members have different expertise, values and beliefs. The process of taking a project from initial investment appraisal to completion and into use is complex and entails time-consuming design and production process as noted by Hangman and Norman (1993). It requires multitude of people with different skills and interests and the coordination of a wide range of disparate yet interrelated activities. With such interdependency, when conflict is unresolved, the losses spread.

Jenny (1995) noted that simply placing a number of skilled professional individuals together in a group and expecting them to perform well is unrealistic. For teams to be high performing takes time; time for people to get to each other; to assess each other’s strengths and weaknesses; to work out whether they can identify with the values, attitude and styles of their colleagues in the group. Kolawole and Anigbobu (2004) stressed that any construction project involves a variety of organization and a large number of people, creating a peculiar heterogeneity. This heterogeneity exists not only within one particular project but is worsened by the fact that there are no two projects alike. Conflicts, hostility and adverse relationships between groups of people are a chronic problem in most project execution. Too often, this emotional effort and involvement goes largely unrewarded because it is destructive rather than constructive as observed by Yusufu (2000).

Two realities should be recognized, first, that conflict is an absolutely inevitable and predictable social phenomenon, one that will increase in all organizations as they become larger and more complex. Second, that conflict should not be oppressed, but channelled into useful endeavours as reported by system Gap working party (1984).

Sources of Conflict in the Construction Industry

We may categorize sources of conflicts into disagreement arising within the organization and those cropping up outside it.

The sources of conflict according to Al-sediary (1994) in Gyang (2006) in the construction industry can be attributed to the major variables of a project, namely; concept, scope (quantities), quality (via the specification), time and cost. Thus, conflict is possible in all aspects of a project. The sources of conflict emanate from quite a number of issues. In a phase of project life –cycle, there is a greater likelihood that conflict will develop when

stakeholders of the project do not play their statutory roles as noted by Agundu (1999).

Common sources of conflicts as mentioned by Kerner (2002) are, manpower resources, equipment and facilities, capital expenditures, scheduling responsibilities and personality clashes.

Internal sources of Conflict in Construction Industry

This is a situation whereby the conflict is self-generated. Kolawole and Anigbobu (2004) opined internal sources of conflicts as contractual disputes between contractors and clients (over cost, administrative procedures and schedules), difference between team professionals (over priorities, technical opinions, project objectives), labour versus management disputes over working conditions, remunerations, high level of task dependency of construction activities, interpersonal relations and inadequate communication skills. Other internal sources of conflict in an organization may include:

- (a) Management Style: Where there is ineffective leadership or decision-making that can lead to conflict situation. Disagreement about who is in-charge or how we are going to get things done in any situation can be a source of organizational conflict.
- (b) Union Leader and Worker's Consciousness: Research has shown that workers feel for their fellow workers suffering what they perceive as universal injustice by going or embarking on individual action especially site-ins. Managers may also complain about unfair practices from the workers collectively.

External Sources of Conflict in Construction Industry

There are events outside the organization, which have important bearings on the choice of actions and strategies of the actors. The external sources are:

- i. Economic Issue: These relate to want of proper adjustment of wages to the cost of living. Also related, is the problem of evolving a definite wage policy and want of stabilization of prices at a point, which would maintain employment at the highest level and stabilize cost of living. According to Fajana (2002), other areas of economic issues are connected with the system of reward of labour in cash or kind or both and with working conditions including hours of work.
- ii. Moral and Political Issues: Moral causes include working conditions and failure on the part of employers to provide adequate measures for welfare of the workers both inside as well as outside the establishment. Political issues emanate from the problem of difference in ideologies. For example, one ideology stipulates that workers must strike to stop employer's exploitative powers.
- iii. Government's Harsh Laws and Policies: Government leadership approach at times does not give room for free association and union's activities. There is always one decree or the other that government uses to prescribe trade union's activities which could possibly lead to conflict situation.

III. RESEARCH METHODOLOGY RESEARCH DESIGN

The Research design adopted for this was the non- experimental, as the variables were not under the control of the investigator or researcher. Precisely, the survey and case study methods were adopted.

The target population for this study comprised all construction companies in Jos North Local Government Area. These Construction Companies comprised the Consultant (Architect, Builder, Civil engineer or Quantity Surveyor), the Contractor and the Project Manager.

ASSESSMENT OF CAUSES OF CONFLICT IN PUBLIC PROJECT EXECUTION

Table 7: The Causes of Conflict in Public Project Execution.

S/N	Factors	Extremely Satisfactory 5	Very Satisfactory 4	Satisfactory 3	Slightly satisfactory 2	Not Satisfactory 1	PMC	X	Critical index	Remark
1	No adherence to design/specification	5	7	18	2	4	115	3.20	0.64	Satisfactory
2	Mismanagement	9	11	10	1	5	126	3.5	0.7	Satisfactory
3	Uneconomic use of resources	10	8	10	5	3	125	3.47	0.69	Satisfactory
4	Change in the distribution of income	2	6	18	8	2	106	3.00	0.59	Satisfactory
5	Mistakes during construction	9	10	6	8	3	122	3.39	0.68	Satisfactory
6	Mistakes and discrepancies in contract document	10	18	5	3	1	144	4.00	0.8	Satisfactory
7	Planning and scheduling deficiencies	5	6	19	2	4	114	3.20	0.63	Satisfactory
8	Variation/Fluctuation	7	9	15	3	2	117	3.25	0.65	Satisfactory

From Table 7, all the respondents agreed that the following factors are the cause of conflict in the construction industry; mistake and discrepancies in contract documents $x=4.00$, mismanagement $x=3.5$, uneconomic use of resources $x=3.47$, mistakes during Construction $x=3.39$, variation/fluctuation $x=3.25$, non-adherence to design/ specification and

planning/scheduling deficiencies $x=3.20$ each, and change in the distribution of income $x=3.00$

From table 7, mistakes and discrepancies in contract documents is having the highest observed frequency with change in the distribution of income, having the least.

ASSESSMENT OF THE ROLES EXPECTED TO BE PLAYED BY EACH STAKEHOLDER

Table 8: The Roles each stakeholder is to play

S/N	Roles	Extremely Satisfactory	Very Satisfactory	Satisfactory	Slightly satisfactory	Not Satisfactory	PMC	X	Critical index	Remark
1	Adhere to professionalism	6	5	17	3	5	112	3.11	0.62	Satisfactory
2	Define Clear Responsibility	7	16	10	1	2	133	3.69	0.74	Satisfactory
3	Integrity and capability to lead	5	7	20	3	1	120	3.33	0.67	Satisfactory
4	Delegate Sufficient authority and control	3	19	8	4	2	120	3.33	0.67	Satisfactory
5	Avoid unnecessary Innovation	2	4	16	8	6	96	2.67	1.53	Not satisfactory
6	Good Organizational Structure	7	17	11	1	2	140	3.89	0.78	Satisfactory

From table 8, the roles agreed by the respondents for each stakeholder to play in conflict management in the construction industry are; good organizational structure $x=3.89$, define clear responsibility $x=3.69$, integrity and capability to lead, and delegate sufficient authority and control

$x=3.33$ each, adherence to professionalism $x=3.11$. Avoiding Unnecessary Innovations $x=2.67$, was not agreed by the respondents as a role to be played by stakeholders in conflict management.

ASSESSMENT OF CONFLICT RESOLUTION METHODS

Table 10: Conflict Resolution Methods known in the construction industry

S/N	Methods	Extremely Satisfactory	Very Satisfactory	Satisfactory	Slightly satisfactory	Not Satisfactory	PMC	X	Critical index	Remark
1	Litigation	6	7	9	8	6	107	2.97	0.59	Not Satisfactory
2	Arbitration	4	19	8	3	2	128	3.56	0.71	Satisfactory
3	Resolution through higher authority	4	10	6	11	5	105	2.92	0.58	Not Satisfactory
4	Bargaining and Compromise	7	9	4	14	2	113	3.14	0.63	Satisfactory
5	Solving the problem	2	4	19	3	8	97	2.69	0.54	Not Satisfactory
6	Mini trial	2	15	5	3	11	102	2.83	0.57	Not Satisfactory
7	Neutral Evaluation	3	5	16	7	5	102	2.83	0.57	Not satisfactory

From table 10, the following methods are not agreed by the respondents as methods of conflict resolution ;Litigation $x=2.97$, resolution through higher authority $x=2.92$, Mini trial and neutral evaluation $x=2.83$ each, solving the problem $x=2.69$.

The respondents agreed on arbitration and bargaining and compromise, ($x=3.56$ and $x=3.14$ respectively), as methods of conflict resolution.

IV. DISCUSSION

Most construction firms in the construction industry undertake both building and civil works, as revealed by the results of this. This is so because, almost all the professionals that are needed, and work in the Building Construction firm are also needed and also work in the Civil Construction Firm. A very good example is Julius

Berger PLC, one of the most highly reputable construction firms in Nigeria. Julius Berger undertakes both building, as well as civil construction works.

The relationship among professionals in the construction firm, no matter how cordial it is, sometimes goes sour. The implication here is that conflict is bound to happen at some point in the course of project execution. The consequence here is that once there is conflict among construction professionals, the execution of the project will be affected in terms of time, cost and/or quality. The finding that, conflict among professionals can affect the execution of the project, supports earlier studies by Jenny (1995), and Langford (2005).

The findings of this study revealed that, quite a number of issues can cause conflict in public project execution. These include, inter alia,

lack of adherence to design/specification, mismanagement, uneconomic use of resources, change in the distribution of income, mistakes during construction, mistakes and discrepancies in the contract document, planning and scheduling deficiencies, variation/fluctuation. These findings, to a large extent, support earlier studies by Kezner (2002) and Anigbogu (2004).

As also revealed by the findings of this study, there are certain roles that, if each stakeholder plays, conflict occurrence in the construction process will be reduced. These roles, according to the findings of this research, are adherence to professionalism, clear definition of responsibilities, integrity and leadership capacity, delegation of sufficient authority and control and good organizational structure. The implication of these findings is that if, and when, all roles are played by each stakeholder in the construction industry, the occurrence of conflict will be brought to its barest minimum, consequently, construction projects will be executed on time and within budget.

V. CONCLUSION

Based on the research findings in the preceding section (5.1) the following conclusions are drawn:

- i. The following are the causes of conflict in public project execution, non- adherence to design/specification, mismanagement, uneconomic use of resources, change in the distribution of income, mistakes and discrepancies in contract documents, planning and scheduling deficiencies and variation/function.
- ii. As relationship amongst stakeholders in the construction industry is cordial, it implies that conflict is experienced in the course of project execution, thereby, affecting project time, cost and quality.
- iii. Conflict occurs most frequently in the relationship of the contractor and the client, and that of the contractor and the consultant: this is so because they have differences in perceptions, priorities and goals.

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