Recognizing and Responding to the Vulnerabilities of Partnering

Seven years of experience draws valuable lessons from partnering's successes and failures.

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Since the late 1980s, partnering has gained acceptance as an effective component of project management. The objective of the partnering process is to create an informal management team composed of key personnel representing all organizations involved in the project. This informal management team creates a single culture with a common set of objectives and goals, mutual trust and respect, and a method for resolving issues at the operational level. An effective partnership will recognize and honor the objectives of all parties and recognize that risks are shared by all.

Born from the need to reduce the conflicts, claims, and litigation that were growing at an alarming rate in the 1980s, partnering is now widely accepted as an effective project management process. As numerous partnered projects are concluding, there is substantial evidence of the success of the process.

Partnering was first implemented on a public works project by the United States Army Corps of Engineers in 1988. The Corps reports that since that time it has used the partnering process on 200 construction projects and has had no claims proceed to litigation. Since 1986, the agency has reduced its pending contract claims from 1,103 to 426 and its claims on appeal from 567 to 323 [1].

Since 1991, the Arizona Department of Transportation has used partnering agreements on 96 projects, worth $300 million, and reports no claims—a savings of $5 million. The agency is now trying to develop an accurate measure of roadwork quality because "We think it has improved as a result of the team effort," stated ADOT Director Larry Bonine [2].

As facilitators on a number of partnered projects that have been completed on time, within budget, and without any outstanding claims, we have received considerable feedback from members of the project management teams. These participants indicate that partnering provides a more positive management style, with open communication and increased trust between organizations. After seven years of experience, there is no doubt that partnering can be a powerful and effective project management strategy.

Experienced facilitators also encounter projects in which partnering has not been totally effective. In a few cases the process either failed or was discontinued. There are a number of forces external to the partnering team, as well as internal forces, that create obstacles to the optimum effectiveness of partnering.

External Forces

Resistance to Change. As partnering has become an increasingly popular project management process, it is being adopted by some organizations without much planning or knowledge of the process. Many of the top and middle-level managers may not initially embrace the partnering process. Many are worried about losing control over their specific project responsibilities and are reluctant to openly share information that in the past has been protected. The existing management style in most organizations has

rewarded individual performance. Employees, predictably, are concerned about how their efforts as part of a partnering team will be evaluated. Consequently, all individuals participating in the partnering effort must be convinced that partnering is a new paradigm that their organization will support, value, and reward.

In one large public works project, the top official of the customer organization never adopted the partnering process. Fortunately, the customer site representatives did come to realize the benefits of the process after a year on the project. Continued resistance from the top, however, hampered the free flow of communications that should have existed among members of the site team and caused much unnecessary stress.

Lack of Continuous Commitment from Top Management. As the previous example illustrates, top management may express commitment to the partnering process at the initial workshop but fail to follow up as the project progresses. Top management must demonstrate continuous support of partnering at every stage, particularly with regard to the issue resolution process. Every initial workshop produces an issue resolution or problem solving process that provides a structure for timely resolution of issues with emphasis on reaching solutions at the lowest possible level or earliest practical opportunity. At follow-up sessions several months into the project, many participants often observe that the issue resolution process has not been used and that issues are being held up in each organization. Top management must continually review the process and ask, "Why isn't the issue resolution process working?"

One example of how top management can provide impetus to efficient issue resolution occurred during a three-year construction project. Senior officials of each organization "threatened" to confine site team members in a locked room until they worked out disagreements in accordance with the issue resolution process developed by the partnering team at the initial workshop.

To send a clear signal to all participants of the importance of partnering, as well as to remain informed about the effectiveness of the process, top management should request partnering evaluation data on a regular basis. This information should be generated by all members of the project management team through the continuous monitoring and evaluation process developed at the initial workshop.

Shift in Business Conditions. Partnerships begin with a set of common goals and objectives intended to last the life of the project. Many projects last several years, and significant technical and economic changes can occur that will place tremendous pressure on the partnering process. If these changes result in falling behind schedule, cost overruns, and claims, the strategy within each participating organization may change and even revert to an "us versus them" attitude. When these pressures build, the high levels of trust and open communication required in a successful partnership can be severely eroded.

On one large five-year project, a government project manager stated, "I know the contractor has run into some difficult technical problems; but once that contract is signed, the majority of the risk shifts to the contractor and it is difficult to get my people to focus on any objective other that getting a quality product." A manager for the contractor on the same project stated, "It will be impossible to make a profit if we continue to run behind schedule because of these unresolved technical problems. If we don't reach agreement on these issues we will have to depend on claims to recover our losses."

If these attitudes are allowed to continue, the foundation of the partnership will be destroyed. Both organizations must use extra effort to utilize the partnering process to understand and value the primary goals of each other.

Environmental projects present unique examples of changing business conditions. These projects generally lack the well-defined product and structured schedule of the traditional construction project. In most environmental projects—such as Super Fund clean-ups—the scope and conditions of work cannot be well-defined at the outset and will almost certainly change over the life of the project. Environmental projects, also, are likely to encounter unusual technical problems that will require innovation and flexibility from all parties. All members of a partnering team should recognize these unique challenges and understand that they will place stress on the partnership.

Uneven Levels of Commitment. Some organizations may enter a partnership with considerable experience from other partnered projects, while others have no experience at all. Often, the government organization involved with the project will have many more members on the partnering team than the contractor. In some cases one organization may exhibit a strong commitment to partnering while others simply feel they have to go along. All of these conditions create a lack of balance in commitment and focus on partnering that can result in less trust, reduced communication, and failure to implement the partnering processes.

Occasionally uneven commitment is demonstrated by the problem-solving process. Some organizations will use the partnering team on routine matters but immediately send important issues on to top management, where a decision will be made and sent back. This sends a message to the partnering team that top management does not trust the partnering process to resolve critical issues.

Internal Forces

Partnerships are also vulnerable to pressures created within the partnering team. While some of these factors may surface after the project has been in progress for several months, others are apparent immediately.

Failure to Include All the Key Players in the Initial Workshop. It is essential that each organization send to the initial workshop all persons who have a significant role to play or a substantial interest in the project. As the workshop progresses into issue analysis and action planning, the participants themselves are usually the first to observe that persons with important information or decision-making authority are not present. Assembling an appropriate partnering team, therefore, requires careful attention and advanced planning by each organization.

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It can be particularly frustrating to realize well into the workshop that an entire "constituency" is not represented. For example, during a recent workshop for a long-term military base maintenance contract, the commanding officer noted that representatives of the housing office—a primary "customer" of the maintenance contractor's services—had not been included. As a genuine champion of partnering, he immediately arranged for a second workshop to be conducted with the housing staff and additional small contractors whose work was affected to some degree by that of the general base maintenance contractor.

The Dynamic Nature of the Partnering Team. Selecting and maintaining an effective partnering team is a challenge on all projects. Projects scheduled for more than one year almost always experience significant turnover in team members. In some cases, all members of the initial partnering team in one organization may have been replaced during the first half of the project. This turnover will destroy a partnership unless all organizations make a significant effort to educate new members of the team with respect to the partnering process. Top management in each organization can make a valuable contribution by making every effort to keep turnover as low as possible.

This issue can be particularly significant in military construction and base maintenance projects. Over the life span of a long-term contract, scheduled rotations of senior officers may result in several different persons consecutively occupying the same key position(s). These new players may bring varying levels of knowledge and commitment to the partnering process and should be oriented and assimilated into the team as efficiently as possible. At a recent follow-up workshop for a multi-phase, long-term base housing construction project, a senior commanding officer who enthusiastically supports partnering recognized this potential problem. He wisely recommended that a "mini-workshop" be held at a time when both he and his replacement would be able to participate, and the team unanimously agreed.

Failure to Implement Plans and Procedures. The major source of internal partnering problems is the failure to implement the partnering processes and plans developed at the initial workshop. All partnering efforts start with a successful, positive initial workshop that usually produces:
- A partnering agreement stating the common goals and objectives of the partnership
- An issue resolution process based on a commitment to solve problems at the lowest possible level
- A method of tracking and evaluating the partnering process.

Common problems observed at follow-up workshops are that a number of

the processes and procedures developed by the team have not been used, and scheduled meetings of team members have not been held. In some cases it is difficult to reach agreement on having a follow-up session. After the initial workshop it is easy to return to the normal routine that exists in each organization and overlook the partnering process.

Top management can help prevent this problem by reviewing the partnering process on a regular basis and requesting periodic partnering process evaluations from the team. Nurturing a partnership is a lot like dieting: it is easy to find a good diet plan but it is difficult to develop the self-discipline to successfully implement that plan.

The Lack of Team Problem-Solving Skills. People are usually educated to collect information and make decisions on an individual basis. Many lack experience and expertise in working in teams and especially in teams with people from several organizations. Team members may be uneasy about openly sharing project information that traditionally has been tightly held within the organization.

In developing the partnership through an initial workshop, attention should be focused on developing procedures that will result in the active participation of all team members in generating information and developing team decisions. Top management in each organization must clearly support this change in organizational culture. When a partnering team is formed, each organization must be willing to give up some decision making autonomy in exchange for team problem solving and decision making. Each organization must be willing to explore the boundaries of the decision making process if they are to find innovative, productive solutions. Top management must be willing to develop a reward system that recognizes the value of team results. If each organization continues to base rewards solely on how people perform relative to others within the organization, the partnering process is not being supported.

Conclusion

Partnering is a powerful, positive process that can produce a "win-win" environment for project managers. All partnerships will be subject to some, if not all, of the vulnerabilities described in this article. If managers are aware of these forces and continue to strive to prevent them or overcome them, they can produce successful partnerships. When properly used, partnering pays off. It produces a quality product, on time, within budget, and with a reasonable profit. Partnering is a team-oriented, positive strategy for doing business and changing the management style of the members of the project management team [3].

References
1. Industry Pounds Away at Disputes. 1994. *Engineering Review* (July 11), p. 24.
2. *Ibid.*
3. C. Moore, D. Mosley, and M. Slagle 1992. Partnering: Guidelines for Win-Win Project Management. *Project Management Journal*, Vol. XXIII (March), pp. 18–21.

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