Negotiation Styles of Construction Professionals in Malaysia

A. Idrus and M. Izzuddin M Hassan, National Defence University of Malaysia

Abstract

Construction is a very fragmented industry because it involves many stakeholders such as clients, financiers, architects, engineers, quantity surveyors and project managers. These people come from different organizations and have differing backgrounds, so giving different and often conflicting points of view whenever a decision has to be made with regard to the design of a project. Negotiation is seen to be the most efficient way to overcome this conflict. This study aims to determine the most dominant negotiation style of construction professionals such as architects, engineers and project managers in Malaysia. The study uses the Survey Research methodology in collecting data and non-parametric statistical analysis in analyzing the data. From the study, the most dominant negotiation style for each profession has been found and can be taken as the benchmark for use in future research in Negotiation.

Keywords: Construction, negotiation style, design

Construction daily routine is often full of collaboration, conflict and negotiation. Professionals such as architects, engineers and project managers sit together with other parties in one table to decide on the planning, design, bidding or execution of a project. At the same time, they bring along with them their respective expertise and also professional styles. Different technical background and organization cause different opinions between these professionals towards achieving the goal of collaboration. Negotiation is seen as the first attempt to resolve
any disputes among them or to grab any opportunities for maximizing benefit to any party. As
construction business gets global, professionals not only need to deal with different professional
backgrounds but also with the difficulties in working across the large distances for extended
periods of time, with varying cultural and ideological background as well as varying negotiation
style. The widely-varied negotiation style in construction needs to be researched as it will
become the root of a successful collaboration. Poor negotiation in construction would lead to a
crippling conflict decision and hinder the achievement of mutual agreement.

This study aims to identify the multiple styles of negotiation of construction professionals
such as architects, engineers, project managers, quantity surveyors, and clients in Malaysian
construction industry and to determine the most dominant one among construction professional.
Knowledge of the negotiation styles would help to improve collaboration and negotiation work
within the construction industry in the future.

**Theoretical background**

**Negotiation**

Negotiation is a dynamic process of adjustment or dealing between two or more parties,
bringing their own mutually conflicting objectives with intention to achieve success in areas of
agreement to grab the maximum benefit to their parties (Marsh, 2000). In this regard, the parties
arrange their affairs in commerce and everyday life, produce common grounds and adapt
themselves with areas of disagreement. Although there are a few possible methods, conflict
resolution always begins with negotiation before other methods are considered. In fact,
negotiation is the most convenient way to solve the dispute because it is informal, speedy and
noncomplex in nature, helping organizations to achieve successful collaboration.
Negotiation Style

Negotiation Styles

Negotiation style refers to the characteristic way of a particular negotiator to deal with others during a negotiation and collaboration. Different negotiation style is caused by different background and experience among the negotiators. Learning from other negotiator’s style is an excellent way to increase success of purpose (Marsh, 2000).

During a negotiation, negotiators need to start the negotiation with “win-win” style on their mind and then aim for the “win” only. Reluctance to change negotiation style will cause trouble to the organization. Besides, negotiators need to stick with one decision, with no “giveaway” choice without any reason from the opponent (Marsh, 2000). Instead of negotiating, no bargaining is allowed because negotiators have to press one’s interest to meet both parties’ needs (Fisher and Ury, 1991). Negotiation style in construction is the negotiating behaviour used by professionals when negotiating, for example, the price and method of reimbursement of a project. Negotiation will involve different professionals from the client and contractor side. Both parties have their own priorities and negotiate with different styles to bid the contract and obtain maximum benefit to them.

The negotiation styles terms in this research come from the work of Holley, et al. (2005). They identify two distinct and very different approaches to bargaining, namely, Distributive Bargaining and Mutual Gain Bargaining. The first approach constitutes negotiation as a win-lose exercise where the gains of one party must come at the expense of the other party. The second approach represents negotiation as a mutual problem-solving exercise. In the negotiation literature, the orientation to win-lose is referred to as Assertiveness while the orientation to mutual problem solving is referred to as Cooperativeness.
Further, Holley et al writes that “Assertiveness tendencies are more likely to engage in Distributive Bargaining behaviour while Cooperativeness is more likely to use a Mutual Gain Bargaining approach”. Thus, this self-assessment will help to examine the levels of Assertiveness versus Cooperativeness. This can be observed on Figure 1

*Figure 1* Assertiveness and Cooperativeness of Negotiation Style (Johnson and Johnson, 1991), (Matthews, 1998)

The measurement of Assertiveness and Cooperativeness requires the consideration of five distinct negotiation styles that are adopted from Rahim (1983, 2001). The five negotiation styles are:

1. **Collaborating**

Acting with a high concern for self and others with the objective of achieving an outcome that satisfies both parties requires collaboration and open exchange of information. The nature of the integrating style, therefore, is one of being both assertive and cooperative. It follows that a mixture of tactics is employed in the integrating style, as resolution needs identifying and analyzing the various differences between the parties and the exploration of new solutions.
Negotiation Style

2. Accommodating

Being unassertive and cooperative indicates the accommodating style, where the outcome is a lose-win situation. Here, a person acts with a low concern for self and a high concern for others, emphasizing shared aims and de-emphasizing differences.

3. Competing

A person whose actions in a conflict situation are determined by a high regard for self and a low concern for others (being assertive and uncooperative) is considered to be using a competing (or dominating) style.

4. Compromising

A give-and-take attitude demonstrating an intermediate level of concern for self and others denotes the compromising style, where assertiveness and cooperation are both present, but in a diluted form.

5. Avoiding

The avoiding style is unlikely to resolve the conflict in a negotiation. Its elements are that of having a low concern for self and a low concern for others. In this style, the player is both unassertive and uncooperative and exhibits the attitude of being unwilling to deal with the issue at hand.

There has been little research to investigate the negotiation styles associated with construction professionals such as engineers, architect, quantity surveyors and project managers. An attempt was however made by Idrus et al (2010) to study the negotiation styles of construction professionals in Malaysia but only for construction professionals in general. There
has been no study to investigate the more-important dominant negotiation style specific to a particular construction professional and therefore this is the motivation of this research.

**Research Methodology**

A structured questionnaire survey was designed to elicit data on the different styles of negotiation. The survey population consists of construction professionals such as Engineers, Architects and Quantity Surveyors in construction industry in Peninsular Malaysia. The questionnaire design was based on ROCI-II (Rahim, 2001) that is properly modified for this research under the guidance of an advisor, in order to collect related data and analyze the questionnaire.

The questionnaire contained 28 questions on style attributes that were modified to suit the construction context (Cheung *et al.*, 2006). Each of the questions is included with the scale of importance that was rated by the respondents according to their opinion. The respondents were asked to assess the level of importance based their most recent negotiation experience involving different parties. The scale that has been used is a ‘Likert-Scale’ from 1 to 5 based on how important a particular behaviour is being used in negotiation. Number 1 representing “never”, number 5 representing “always” while number 3 stand for “sometimes”.

The list of questions is presented in Table 1. However, in the actual questionnaire, these questions are not arranged according to their style variables under which they fall, but randomly mixed with each other to avoid biases.

**Table 1**

*Behaviour for selection of negotiation styles and level of importance*
## Negotiation Style

<table>
<thead>
<tr>
<th>No</th>
<th>Behavior for selection of negotiation styles</th>
<th>Level of importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I explore issues with others so as to find solutions that meet everyone’s needs.</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>I try to negotiate and adopt a give and take approach to problem situations.</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>I try to meet the expectations of others.</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>I would argue my case and insist on the merits of my points of view.</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>When there is a disagreement, I gather as much information as I can and keep the lines of communication open.</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>When I find myself in argument, I usually say very little and try to leave as soon as possible.</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>I try to see conflicts from both sides. What do I need? What does the other person need? What are the issues involved?</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>I prefer to compromise when solving problems and just move on.</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>I find conflicts challenging and exhilarating, I enjoy the battle of wits that usually follows.</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Being at odds with other people makes me feel uncomfortable and anxious.</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>I try to accommodate the wishes of my friends and family.</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>I can figure out what needs to be done and I am usually right.</td>
<td>2</td>
</tr>
<tr>
<td>13</td>
<td>To break deadlocks, I would meet people halfway.</td>
<td>3</td>
</tr>
<tr>
<td>14</td>
<td>I may not get what I want but it’s a small price to pay for keeping the peace.</td>
<td>4</td>
</tr>
<tr>
<td>15</td>
<td>I avoid hard feeling by keeping my disagreement with others to myself.</td>
<td>5</td>
</tr>
</tbody>
</table>

**Level of Importance:**

- 1: Never
- 2: Rarely
- 3: Sometimes
- 4: Often
- 5: Always

The negotiation styles to which the questions are addressing are as shown in Table 2 below.

**Table 2**

**Styles associated by question numbers**

<table>
<thead>
<tr>
<th>Style</th>
<th>Question numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborating</td>
<td>1,5,7</td>
</tr>
<tr>
<td>Accommodating</td>
<td>3,11,14</td>
</tr>
</tbody>
</table>
The population of construction professionals was compiled by identifying key personnel from the government and professional directories and web sites of companies. From the population, 300 samples comprising of 100 engineers, 100 architects and 100 quantity surveyors were selected using the systematic random sampling procedure from which questionnaires were sent to addressees around Peninsular Malaysia. Descriptive Statistic was carried out on data pertaining to the respondents’ profile while average index analysis were used to ascertain the dominant negotiation style of each of the construction professionals.

Results and Discussion

Statistics of Respondents

Out of the 300 questionnaires sent, 25 were returned. The respondents consist of 60% engineer, 20% architects and 20% quantity surveyors. As for the respondents’ working experience, 32% of the respondents have working experience of 5 years and below, 24% between 5-10 years and 24% between 11-20 years and 20% more than 20 years.

Negotiation Styles results

For the negotiation styles of engineer, Figure 2 shows the percentage of negotiation styles of engineer. Most 54% of engineers use collaborative style of communicating with each other in construction professionals. For avoiding, compromising and competing style, the percentage is 13% while the lowest is accommodating style which is 7%.
For the negotiation styles of architect, Figure 3 shows the percentage of negotiation styles of architects. It is interesting to note here that architects only have two styles. Most (80%) of architects use collaborative style of communicating with each other construction professionals while another 20% of architect use the compromising style.
For the negotiation styles of the quantity surveyors, Figure 4 shows the percentage of negotiation styles of quantity surveyors. 60% use accommodative style and 40% use collaborative style. Again here quantity surveyors generally use only two styles of negotiation.
Table 3 below gives the ranking of the negotiation styles for each construction professionals while Table 4 summarizes the most dominant negotiation style for each category.

Table 3

<table>
<thead>
<tr>
<th>Construction Professional</th>
<th>Negotiation Style</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer</td>
<td>Accommodating</td>
<td>5th</td>
</tr>
<tr>
<td></td>
<td>Collaborating</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Competing</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Compromising</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Avoiding</td>
<td>2nd</td>
</tr>
<tr>
<td>Architect</td>
<td>Collaborating</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Compromising</td>
<td>2nd</td>
</tr>
<tr>
<td>Quantity Surveyor</td>
<td>Accommodating</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Collaborating</td>
<td>2nd</td>
</tr>
</tbody>
</table>
Negotiation Style

Table 4

Summary of Negotiation Styles

<table>
<thead>
<tr>
<th>Construction Professional</th>
<th>Negotiation Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer</td>
<td>Collaborating</td>
</tr>
<tr>
<td>Architect</td>
<td>Collaborating</td>
</tr>
<tr>
<td>Quantity Surveyor</td>
<td>Accommodating</td>
</tr>
</tbody>
</table>

Conclusion

Negotiation style is an important communication skill used by construction professionals almost every day in their daily routine when dealing with each other in construction. So, it is important to determine the most dominant negotiation style for each construction professional, namely, engineer, architect and quantity surveyor. From the research, five negotiation styles of construction professionals in Malaysia have been identified, which are: collaborating, accommodate, compromising, competing and avoid style. Based on the analysis of the data, it's been determined that the most dominant negotiation style for an engineer is collaborating style, while for an architect and quantity surveyor, the most dominant is the accommodating style. It is hoped that the results of this research will be helpful to construction professionals during their engagement in negotiation processes in the future.
References


