Influence of ‘Power’ and ‘Dependence’ Attributes on Main Contractor and Sub-Contractor Collaboration in Construction Projects

By

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Statement of Originality

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By signing below, I confirm that Shumank Deep contributed to the structuring, data analysis and writing of the following publications below:


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Collaboration among construction project participants, specifically between the main contractor and sub-contractor, is essential for efficient project delivery. A review of the literature suggests that collaboration among project participants in construction projects is influenced by both relational aspects (e.g. trust, commitment, and reliability) and transactional aspects (e.g. contractual approach or procurement design). The transactional aspects are characterised by the contractual approach and procurement design that bind the project participants by setting obligations and allocating risks among participants. Furthermore, the literature indicates that the transactional aspects of the bargaining power (also referred to as power) and dependence of the participants have a significant impact on the level of collaboration. Moreover, the predominant discourse in the literature on the contractual approach and procurement design is focused on the principal-centric aspects; specifically, safeguarding the main contractor’s interest, despite the fact that collaboration is dyadic in nature, and includes the interest of the sub-contractors.

Hence, this study aims to investigate the extent of the influence of power and dependence attributes on the collaboration between the sub-contractors and main contractors in construction projects. This research explores the sub-contractor’s perspective on their collaboration with the main contractor. The theories relating to buyer–supplier relationships, power and dependence are used as a lens to investigate the collaboration between main contractors and sub-contractors in this study. Past research on the relationship between the sub-contractors and main contractors have focused on the relational aspect of collaboration. A systematic literature review process was used to construct a conceptual model to explore the relationships among the key theoretical constructs using a quantitative research methodology. The research population focuses on sub-contractors based in Australia. Various corporate bodies e.g. Australian Construction Industry forum, Australia Subcontractors Association etc. were approached, and their databases were used to select participants for a questionnaire-based survey, and partial least squares structural equation modelling was applied to test the hypothesis and validate the conceptual model. The findings revealed that the power of a sub-contractor is influenced by the clarity of procurement decision, market competition and market structure. The dependence of a sub-contractor is influenced by the commercial importance and market reputation of that sub-contractor. Furthermore, it was observed from the results that the attribute of dependence strongly influences collaboration, whereas the influence of ‘power’ on collaboration is moderate. Hence, enhanced collaboration between the main contractor and sub-contractor will be observed when both entities depend on each other. Therefore, it is recommended that main contractors should analyse the prevalent market conditions and a project’s procurement priorities to select sub-contractors, and vice versa in case of sub-contractor.
Keywords

Collaboration; Construction Projects; Trust; Commitment; Reliability; Power Dependence Relations; Buyer–Supplier Relationship; Sub-contractor; Inter-organisational Relationships
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