

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presents the analysis of the data gathered from the industry. This chapter is the last chapter of this research and contains three sections. In the first section, the achievement of aim and objectives by this research is reviewed and draws a conclusion from the finding of this study. The second section presents set of recommendations focusing the remedial measure to counter failure rate of negotiation outcomes based on the synthesized findings and the chapter ends with a concluding summary in the third section.

5.2 Conclusions and Recommendations

The primary focus of this research was designed to identify the means for improving effective use of negotiation and for mitigate the unsuccessful negotiation outcome in the Sri Lankan construction industry. In view of this there were four main objectives were established as given in the chapter one. The research approach consisting only document analyses were employed. Firstly literature was reviewed to have a better understanding of the negotiation process and the outcomes in the international dimensions. The next stage of research involved administering document analyses within the contractors who possess ICTAD gradation of C1 in the civil engineering construction in the Sri Lankan construction industry where contractual documents and the correspondence exchanged between the parties with respect to the claims and dispute negotiations were collected and studied. Data were gathered to identify negotiation process and outcome in the context of Sri Lankan construction industry. Thereafter the data analyzed using quantitative data analyses techniques. In the next stage the synthesized findings were compared with the findings from the literature review and recommendation has been made.

In the literature review, it is found that extensive preparations for negotiation and post negotiation analyses, selection of problem solving approach, better communication skills (verbal and none verbal), ability of separate people from the problems (emotional control), expertise in the subject matter of negotiation, establishment of

friendship and rapport with the other parties in negotiation gender mix in negotiation team are the key causes for successful outcome in a negotiation. On the other hand, the different culture of the negotiation parties, professional background of the negotiators, positional bargaining, intimidates the other parties, entrenched position of engineer and adversarial approach are caused unsuccessful outcome.

The first objective was to find out the causes for negotiation success and unsuccessful in the Sri Lankan Construction Industry. The finding has been given in the chapter Four (section 4.3.7). Accordingly, unethical behavior and unprofessional practice of the employer and engineer caused unsuccessful outcome extensively in negotiation. This behavior can be seen in the adversarial approach stipulated in the literature. It was mainly when appoint engineer for the contract from the in-house resources of the employer where 54% of the cases were suffered with unsuccessful outcome. On the other hand, when the parties exercise their power and authority in an impartial and unbiased manner, the successful outcome of the negotiation were achieved. It was achieved when the engineer from the independent organization or semi government organization



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The second objective was to investigate the relationship between project characteristics, professionals involved in negotiation, negotiation period monetary value involved in negotiation, gender involvement and negotiation outcome. The finding has been given in the chapter Four (Section 4.4.). Under the project characteristic, type of client, type of the engineer, origin of the contractor, contract value, contract period, governing condition of contract and funding agency were discussed to find any relationship with the negotiation outcome. Finding has been given in the chapter four (section 4.4.1). Findings reveals that type of the client, type of the Engineer, origin of the contractor, procurement method, funding agencies, form of contract and the contract value shows relationship with negotiation outcome. However, the contract period and subsection (type of project) has shown no relations with the negotiation outcome.

Therefore this research concludes that the successful outcome can be derived from some of the project characteristic: public client than private, involvement independent

engineer than in-house team of the employer, design and build procurement method than traditional method, EXIM bank of China than treasury and usage of FIDIC than SBDs.

Relationship between the professional background of the negotiators and the negotiation outcome were found in the literature review however no such relationship has been established in these research findings in the section 4.4.4 of chapter four. Similarly, effectiveness of gender mix in the negotiation team to bring the successful outcome as found in the literature review has not been established from the research findings of this study which has given in the chapter four (section 4.4.6).

Research findings for relationship between time taken for negotiation and negotiation outcome has been in the section 4.4.5 in the chapter four where the findings conclude that the successful outcome can be obtained by negotiation if the negotiation period is within the period up to maximum one year.

Relationship between the monetary value involvement and the negotiation outcome from the research finding has been depicted in the section 4.4.3 of the chapter four where it shows the higher success rate for the higher monetary value involved in negotiation which is contrary to the natural behavioral pattern of the human. Therefore this research concludes that relationship could not be established by this study.

Third and the final objective of the research were to identify the means of improving effective use of negotiation in the Sri Lankan Construction industry. The findings of the research in this regard have been shown in the chapter four. The research recommends the followings.

1. encourage to engage the contract administrator from independent or semi government organization in the construction industry.
2. limit the negotiation period up to maximum of one years for favorable outcome.
3. improve the ethical behavior and professional conduct of the construction professional through the professional bodies in Sri Lanka

5.3 Limitations

- Only 30 samples were taken into account of the analyses out of 37 because of the incompleteness of the data and reluctant of the respondents to disclose confidential nature of their data.
- Biased representation of the sample as a result of the data method of data collections through known contacts to the researcher in the industry.
- The data collection approach limited to only document analyses due to time constrains

5.4 Recommended further study

- Research should be conducted in the perspective of the engineer and employer respectively.
- Study should be extended to all the category of the contractor in Sri Lankan construction industry.
- Research should be covered all areas in the construction industry without limiting to civil engineering construction.



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