

6. CONCLUSIONS AND RECOMMENDATIONS

Chapter six expects to summarise and conclude the study carried out. Further the chapter explains recommendations of this study and suggestions for future researches which will expand the body of knowledge.

6.1 Summary of the Study

Complexities inherited in construction projects generate enormous changes to the as-planned work (Zou, Zhang & Wang, 2007). Thus variations in construction projects cannot be eliminated and in fact necessary to successful completion of a project (Murdoch & Hughes, 2008). Negotiation of rates in a variation is highly influenced by the terms in the agreed contract. Finalizing rates of variations is identified as complex situation which both parties try to address their own concerns (Sutrisna & Potts, n.d.). Therefore, negotiation is generally using as a conflict management technique in reaching agreements on rates for variations. However in almost all negotiations face deadlocks where both parties stand still on their stance which stuck negotiations from moving forward (Fells, 1989). Thus it is identified that finding applicable methods used to overcome deadlocks are in rate negotiations in Sri Lankan construction industry is necessary to develop negotiation practices.

Study was followed through four objectives. First objective was to review negotiation strategies, tactics, styles and types of negotiators which were achieved via comprehensive literature review.

Second objective was to review the techniques use in handling negotiation deadlocks. Although many researches carryout their studies on negotiation deadlocks, those studies were carried out in deferent ways according to their research areas under different field

of studies such as social science (Chitwood & Takemoto, 2008; Alexis, 2013), business studies (David, 1998; Isoor & Marshland, 2010; Anderson, 2011; Lindquist, 2012) and politics (Seuss, 2004; Goldwich, 2010). 33 numbers of different deadlocks handling techniques used in such negotiations were identified under second objective of the study.

Third objective was to investigate the practical usage of identified techniques to overcome negotiation deadlocks in the Sri Lankan construction industry in rate negotiations in variations. A questionnaire survey had been carried out among the identified fifty (50) experts in the construction industry. Questionnaire was based on thirty-three (33) identified deadlock handling techniques and respondents were asked to mark likert scale which contained five options. Feedback of the survey was analysed using Relative Importance Index (RII).

6.2 Conclusions

There were three objectives of the research study as:

1. To review negotiation strategies, tactics, styles and types of negotiators,
2. To review deadlock handling techniques used in negotiation,
3. To investigate the practical usage of identified techniques to overcome negotiation deadlocks in the variation negotiations in Sri Lankan construction industry.

Those objectives were fulfilled as following;

Fist objective: to review negotiation strategies, tactics, styles and types of negotiators.

This objective was reviewed in the literature survey.

Negotiation strategies are distributive and integrative. In distributive negotiation the process seem to be positional or hard bargaining. Win-lose

situation occur in this strategy. Use techniques like bluffing, brinksmanship and guile. Integrative strategy is interest based. Share the problem and try to distribute the problem than a personalized argument.

There exist many negotiation tactics. In any negotiation process combination of tactics use. Auction, brinksmanship, bogey, defense in depth, flinch, good guy or bad guy and nibble are some of commonly used tactics.

Accommodating, avoiding, collaborating, competing and compromising are some styles use in negotiation. As per the gravity of the issue, people use any style or combination to come to an amicable settlement.

Types of negotiators are reviewed as soft, hard and principled. As per the meaning itself, soft negotiators like to bargain in a friendly manner and consider others arguments reasonably. Other way, hard negotiators do it in the total opposite way and apply stress, hot arguments and their ambition is to gain over the other party. Both soft and hard bargainers do not separate people from the dispute. Principled negotiators try to find collective outcomes. Their main target is the dispute rather than the people involved in the negotiation process.

People involve in the negotiation process use elements, strategies, tactics and styles in different ways. In addition their stance may vary as soft, hard or principled. These combinations perhaps lead the negotiation to a deadlock or series of deadlocks.

Second objective; to review deadlock handling techniques use in negotiations.

This objective was reviewed in the literature survey.

Thirty three (33) techniques were identified. They are namely, change the setting, change the negotiator(s), change the levels in the organization, provide additional information, go “off the record”, say “let’s ship into win-win mode”, take a break, revisit priorities, look at all the options, give a little, bag the smaller goals, call a time out, set aside quite time, impose a deadline, please say “yes”, bringing an impartial 3rd party, let it go, set aside anger, agree in principle, regroup and re-focus, keep communication flowing, give negotiation power, present party’s reasoning, dynamics of the negotiation, time of negotiation, mitigate other side’s pressure, motivate, share the risk, environment of the negotiation, making concessions, seeking similarities from differences, advantage and dis-advantage analysis and finally humouring the embarrassment.

Third objective: to investigate the practical usage of identified techniques to overcome negotiation deadlocks in the variation negotiations in Sri Lankan construction industry.

This was achieved through the questionnaire survey and the data analysis system.

According to findings of the study, it can be concluded that all the identified techniques are applicable to the Sri Lankan construction industry and found that the industry well recognized them. Producing additional information to negotiation table is the key deadlocks handling mechanism using rate negotiation in variation management in construction projects. Impose a dead line, motivate, give negotiation power, change the levels in the organization, making concessions, bag the smaller goals, please say “yes”, time of negotiation and revisit priorities are the more popular techniques. Share the risk, let it go, regroup and refocus, change the settings, advantage and disadvantage analysis and bringing an impartial 3rd party received least priority of the identified techniques.

6.3 Recommendations

Research proved that the Sri Lankan construction industry practitioners are familiar and well aware of the deadlock breaking techniques and they do practice as well. It is recommended that the professional bodies of Sri Lankan construction industry to arrange awareness programs and comprehensive professional development programs to enhance the negotiation skills including deadlock handling techniques in order to improve negotiation as a conflict management and ADR mechanism in the Sri Lankan construction industry.

Professionals of the Sri Lankan construction industry, engineers, project managers and quantity surveyors can improve themselves in negotiation and specially in handling negotiation deadlocks as time and cost are the key factors of any construction.

6.4 Research limitations

According to the research study there were some limitations in generalizing the findings.

The study was limited to;

- Rate negotiations in variation management
- Based on literature findings it was assumed that deadlocks can be break only through 33 identified techniques

6.5 Further Research Directions

According to the findings and the limitations of the study, further research directions were identified as follows;

- Handling negotiation deadlocks in the pre-contract stage of Sri Lankan construction industry.

- Handling negotiation deadlocks in the claims based dispute negotiations in post contract stage of Sri Lankan construction industry.
- Study on how deadlocks handling done in negotiation by case studies or grounded theories.

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APPENDIX A: QUESTIONNAIRE USED FOR DATA COLLECTION

Topic: Handling negotiation deadlocks in Sri Lankan construction industry

1.0 General Overview

1.1 Organization :

1.2 Designation :

1.3 Years of Experience:

1.4 Job description briefly:

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2.0 A deadlock can be defined as a situation where no evident progress towards a settlement is being made in the negotiations. This is less drastic than a total breakdown, when there is no communication between parties and usually some form of industrial action as well (Fells, 1986).

Following questionnaire is focused to the techniques applicable in handling deadlocks arising in negotiating rates in variations.

Please tick your suggestion as you experienced in such deadlock situations.

1	2	3	4	5
Very Low	Low	Moderate	High	Very High

No	Technique	Explanation	1	2	3	4	5
1	Change the setting	Location, place of negotiation.					
2	Change the negotiator(s)	Parties may find negotiation have taken a step back. New participants may look at the situation in different ways.					
3	Change the levels in the organization	To ensure the authority to take decisions.					
4	Provide additional information	One or both table information that they base to the decision so far.					
5	Go “off the record”	Show how much one party trusts the other party.					
6	Say “let’s shift into both win-win mode”	To find a way to create a solution that works for both sides.					
7	Take a break	Stepping away from the table					
8	Revisit priorities	Focus on one party’s interests, help to focus on it, what is most important than minor issues.					
9	Look at all the options	Suggest other possible solutions that had not been apparent earlier.					
10	Give a little	Offer to grant small concessions, we do “X” if you do “Y”, momentum to lead into further progress.					
11	Bag the smaller goals	Focus on smaller or easier items of the agenda.					
12	Call a time out	Review the strategy with other members of the team. Relaxing.					

No	Technique	Explanation	1	2	3	4	5
13	Set aside quite time	Impose a fixed period of silence. Everyone stays in the room without saying a word.					
14	Impose a deadline	Many negotiations, most of the progress made in final stage. Deliberately adding time pressure to motivate parties, need to get things moving again.					
15	Please say "YES"	Ask the counter part for his/her agreement. If says "yes" great. If "no", ask why not. Listen carefully.					
16	Bringing an impartial 3 rd party	Good mediator can recognize communication bottlenecks and help the parties to overcome.					
17	Let it go	Be prepared to walk away from the negotiation, counterpart will call back with a better offer. Sometimes the best is no deal at all.					
18	Set aside anger	One shall respect opponent's opinions. Anger may stop.					
19	Agree in principle	Try to agree in principle.					
20	Regroup and refocus	Tem shall be re-assembled and objectives shall be re-shaped.					
21	Keep communication flowing	Keep away personal egos from business deals.					

No	Technique	Explanation	1	2	3	4	5
22	Give negotiation power	In the 2 nd round of the negotiation, give the representative greater decision making power.					
23	Present party's reasoning	Both should openly discuss their reservations. Everything is "open" now.					
24	Dynamics of the negotiation	Change the member of the party's delegation.					
25	Time of negotiation	Change the time of negotiation.					
26	Mitigate other side's pressure	Mitigate the pressure of opponent's and show compromise.					
27	Motivate	Motivate, find out possibility to change the financial affairs – early loans, adjustments of payments...etc.					
28	Share the risk	Ways of risk sharing with the other side.					
29	Environment	Try to change the atmosphere in the conference room, if the focal point which can benefit both parties.					
30	Making concessions	Give suitable concessions, both are supposed to adjust their respective objectives and make concessions rationally.					

No	Technique	Explanation	1	2	3	4	5
31	Seeking similarities from differences	Try every possible means to find similarities while committing small differences.					
32	Advantage and disadvantage analysis	Analyse why there are deadlocks, reasons that block smooth negotiation, which will cause losses to both parties.					
33	Humouring the embarrassments	Humour expressions to work.					