

5 Evaluating a self-proclaimed successful Dutch supply chain partnership.

Author's notes

Since 2010 I have practiced yoga on a regular basis. Like most other physical exercise, I feel that practicing yoga keeps me fit and stimulates the production of endorphin and other 'happy hormones'. That is what I experience when I practice yoga. Besides, practicing yoga also taught me life lessons. Right after presenting the findings that are described in the article below to the respondents of the organizations of this case study, I attended an international yoga teacher training in an area called 'Enchanted mountains' near Florianopolis in Brazil.

I expected that this teacher training would focus on yoga poses and perhaps a bit on anatomy. Indeed, I did learn about anatomy and the physical benefits of different yoga poses. However, what I did not expect was the focus on the spiritual side of yoga. Of course, I knew there was a philosophy behind yoga, but I never expected it to be such an appealing philosophy.

What I learned, for example, is about the 'yamas' and 'niyamas', which are guidelines for living with others and living with yourself. To be brief, the guidelines are non-violence, truthfulness, non-stealing, moderation, non-attachment, purity, contentment, discipline, self-study, and surrender. With a group of international yogis who attended the teacher training, we discussed what those guidelines may mean in our normal daily life. Like the other students, I interpret the guidelines in a broad sense. That means that, for example, I think we all agree that 'non-violence' is a basic rule in daily (work) life. But there is also non-physical harm that we can do to each other and to ourselves. Especially in work life there can be a constant focus on evaluating results, quality and 'how good you perform'. We constantly evaluate and judge each other's performances and way of being. Can that be in a way violent as well? And what are the effects of those forms of violence? It can put a lot of stress on people. Is stress a form of violence?

Another example of a 'yama' is non-stealing. Of course, you are not allowed to take something that belongs to somebody else. But what about stealing time? How often do you steal somebody's time? How often do you show up late for an appointment, so that

the other wastes time by waiting for you? How often do you try to convince somebody about something that you are convinced about, but that the other did not ask for? Especially, this last question provided me food for thought. In daily work life we organize many meetings, but what is it that we actually do in those meetings? Isn't convincing each other of our own ideas of how things should be something that we do daily at work floors? When is that constructive and when does it become stealing time? What would daily work life be like, if we would stop stealing each other's time and be less attached to our own personal ideas about how things ought to be?

There are too many questions and considerations that I can ever describe in such a limited amount of words. All these questions and considerations made me look at the research from a different angle. I feel that I tapped into a deeper layer of understanding of what 'complex responsive processes' are and what it is we do in normal daily work life.

The word yoga means something like 'being united' with oneself and with each other. Yet what we do in organizations often does not feel united at all. Often, the focus is on differences rather than on similarities. My experience is that applying yamas and niyamas in daily life, can make communication more peaceful, more honest, less stressful, more thankful, less attached to ego, purer, more acceptant, more disciplined, and more understanding and more devoted at the same time.

In short, this yoga teacher training inspired me to look at the research from a different angle. Of course, standards in ancient wisdom differ from contemporary standards in Western ideas of science and should never be applied one-on-one without considering and questioning the principles critically. I think it is important to tell this yoga experience, to learn a little bit more about my frame of reference and the opportunities and limitations that this personal frame of reference entails.

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§ 5.1 Abstract

This study aims to reflect on experiences of professionals from a Dutch housing association and a contractor who perceive their relation as a successful supply chain partnership (SCP). Employing a narrative approach, this study shows the subgrouping in informal relations within and around the successful supply chain. The subgrouping shows examples of visible and hidden power dynamics. We conclude that, although the perception of success may have positive spin-offs, the members are not always positive about each other, SCP is applied to only a limited part of the client's internal supply chain, SCP is applied in an arbitrary way that not always seems to be fair, and continuation of the success in the future is uncertain. The study provokes many practical interventions, but the main recommendation is to keep reflecting on informal relations to address some of the social issues.

§ 5.2 Introduction

Since a number of years, a Dutch housing association and a Dutch contractor have been collaborating in three large renovation projects of housing complexes and a few smaller maintenance projects. A project manager and a project leader of the client organization and a commercial manager and the head of the regional branch of the contractor organization form a team and they consider themselves as an example of 'a successful supply chain partnership'. This team is interested in being evaluated to detect 'blind spots' and develop even more success. The practical reason to do this study is to evaluate this team that considers itself to be a successful supply chain partnership.

That Dutch housing associations aim at incorporating principles of Supply Chain Partnering (SCP) is not a rare phenomenon. The attention that has been paid to SCP in practice, as well as in literature (*Bygballe et al. 2010, Hong et al., 2012*), shows that the advantages of working with principles of SCP, such as reducing costs, reducing project duration, and increasing quality, are acknowledged by many. Because of several political related issues, the need to reduce costs and increase quality is high. Dutch housing association own 2.4 mln housing units (*www.aedes.nl, retrieved at November 24th, 2016*). This equals approximately a third of the total housing stock in the Netherlands. Therefore, housing associations are one of the biggest clients and dominate the sector.

The way in which a successful supply chain partnership should be evaluated, depends on several factors, such as how supply chain partnering is understood, the goal of SCP, and the criteria to evaluate. This study understands SCP as an emergent practice (Bresnen, 2007; Bresnen, 2009). The notion of emergence is rooted in organizational theory in, for example, Mintzberg et al. (1997) who distinguishes between a deliberate and emergent strategy. Whereas a deliberate strategy provides future guidelines for decision making and actions at operational level, an emergent strategy represents what is already being done in an organization. Therefore, to know SCP as an emergent practice, actual work floor experiences should be studied, rather than the initial strategy itself. In the process of emergence of SCP, actions are undertaken with SCP as an argument, while SCP itself was not precisely described beforehand at all. Therefore, the organization reflects the participant's understanding of SCP. This way of understanding SCP has consequences for evaluating the successful supply chain partnership. The ideas are further explored in [section 5.3](#).

The practical reason to do this study is to reflect a successful supply chain partnering that needs to be confronted with their blind spots to become even more successful. The academic relevance of this study is that we analyze a successful supply chain partnership, with the understanding of SCP as an emergent practice, which has not been done before. This study provides insight in work floor experiences of professionals who work in a supply chain, and it provides practical recommendations for implementing and applying SCP.

This research has been structured as follows. [Section 5.3](#) explores the ideas of SCP as an emergent practice and the consequences for evaluating a supply chain partnership. [Section 5.4](#) describes the research approach, and the methodology and techniques that we used to gather and analyze data. [Section 5.5](#) provides the results and they will be reflected on the four dimensions of SCP. In [section 5.6](#) a number of concluding remarks will be made.

§ 5.3 Theoretical background

Supply chain partnering as an emergent practice

This study takes the view that SCP is a buzz-word that represents a (desired) paradigm-shift in collaboration between enterprises and individuals within the construction supply chain. Therefore, the concept of SCP may also be understood as an

ideology. According to *Stacey (2011)* an ideology can be thought of as an imaginative whole of norms and values that constitute criteria for the choices of action. Many synonyms and related concepts circulate, such as supply chain collaboration, supply chain management, supply chain integration, etc. While some authors are concerned with identifying differences between different concepts, practitioners seem to use the terminology interchangeably. Therefore, this study considers the different notions as representors of similar ideas and may be used interchangeably. Applying SCP in daily work life may influence 'hard' organizational factors, such as different use of contracts, and allocation of tasks, responsibilities and risks from client to (sub-)contractor and vice versa. The new collaboration that SCP represents, may also influence or be influenced by 'soft' factors. Important soft factors that are often mentioned, are trust, leadership, and communication.

The objective of applying SCP is effective and efficient collaboration, to decrease costs or increase quality for end-users. An often-heard target is to reduce costs with 20%. However, it is hard to base this 20% cost-reduction on evidence. Also, SCP is an alternative for the adversarial relationship between client and contractor. Further, SCP is understood as an alternative for traditional procurement processes, where time and money is wasted on long and tedious selection procedures. It has also been said that clients desire to make use of the contractor's expertise in early phases of the renovation project.

Thus, SCP is a buzz-word or ideology, and not a precise defined form of collaboration strategy. Rather, it represents abstract ideas that at operational level may take many different shapes and forms. Understanding SCP as an emergent practice means that the form of collaboration in practice is a result of ongoing conversation between individuals that in their daily iterative pattern of interaction form the situation as it is. Together they shape the organization as it is, rather than the strategies, blueprints, or other types of plans that are designed by managers higher in the hierarchy of the organization and that are said to boil down to the work floor (*Stacey, 2011*).

This means that the way in which SCP is shaped in a certain context, depends on the individuals who are engaged in forming the collaboration. Everyone has her or his own level of knowledge, characteristics, emotions and agenda. Patterns emerge from an ongoing reflexive conversation. In the theory of complex responsive processes, blueprints, strategies, policies and plans are just one form of influence in the construction of the whole (*Stacey, 2011*). However, how (and if) other individuals respond to those gestures is unpredictable. Therefore, *Stacey (2011)* argues that too much attention has been paid to the managerial interventions, and too little attention has been paid to the processes that the managerial interventions provoke.

Forming of sub-groups

Within that process of ongoing conversation at the work floor, it is normal that subgroups emerge. The forming of sub-groups is an informal process. The formation of subgroups in general can be based on many different aspects, such as the formal position in the project and the interests and responsibilities that come with that formal position. For example, the management of the client organization inherently have different responsibilities than, for example, building site workers. Moreover, the educational level and competences of the individuals may influence the formation of subgroups. Furthermore, there are personal and individual aspects which influence the formation of subgroups. The formation of subgroups is not something which can be inherently right or wrong, although it may not be perceived as something neutral by the participants nor by the readers.

Analyzing the formation of subgroups may reveal valuable information about the members of the organization. According to *Stacey (2011)* ideology and power play are important factors in the forming of sub-groups. Ideologies hold values that 'have the effect of including those who adhere to them and excluding those who do not'. *Stacey (2011)* stresses that this can be either good or bad or both. Since SCP is considered to be an ideology, analysis of subgroups might reveal how SCP is thought of and experienced in daily work practice in a local situation.

According to *Stacey (2011)*, in the ongoing conversation at work floor level, the dynamics of power is a key aspect. In the context of studying complex responsive processes, power is not understood as something one possesses formally, rather power reflects dependent relationships. If somebody needs something (love, money, work, status, whatever), they have more power over the other than the other has power over them (*Stacey, 2011*). From this point of view, power is not so much something which one possesses, but the result of the interaction between people.

According to *Lukes (1980)*, in discussing the issue of power, various strategies may be used (whether consciously or unconsciously) at three levels. At the first level, the power exercise is visible. This happens in, for example, price negotiations where two or more parties try to convince each other by using arguments and rhetoric. The second level power of power exercise is subtler, but still visible. This power dynamics is exercised when certain conversations are swept of the table. That is what *Lukes (1980)* calls the hidden side of power. The labelling and accompanying actions are so subtle that they never really come to the surface. The third face of power is when the power is internalized in such a way that the participants do not even realize that there is an exercise of power.

The practical reason to conduct this research was to evaluate a self-proclaimed successful supply chain partnership. When SCP is considered to be an emergent practice, this has consequences for how the successful supply chain is evaluated. No predetermined criteria for success are used to analyze the data. Instead, this evaluation focuses on the configuration of subgroups, it will evaluate power dynamics between the subgroups and the ideology on which the power dynamics are based.

§ 5.4 Methodology

General research approach

In this research, we focus on the subgrouping in and around the successful supply chain partnership. This will result in propositions about the application of SCP in this situation. This research was done in a research tradition that assumes that all knowledge is socially constructed in its context. Epistemologically, this socially constructed knowledge can never be known in an objective manner, because the knowable can only be known from an individual and unique frame of reference. We do not aim to present an objective reality, but an interpretation of a situation that was validated by multiple participants.

Process of gathering data

This research consists of three phases: an initial group conversation with the successful supply chain, one-on-one interviews and observations with the individual participants, and an evaluative presentation of the results. The first phase involved a group conversation between the four initiators of this research and members of the successful supply chain. The purpose of this group conversation was two-folded: the researcher tried to get a historical overview about their partnering experiences, and the researcher was interested in their perceived factors of success, and perceived barriers and threats. The initial group conversation was processed in a report and verified with the participants.

The second, and most time-consuming phase, consisted of conducting open, semi-structured interviews and observations. **Table 5.1** lists all interviewees. In first instance, the four participants who initiated this research were interviewed and using the interviews, a snow ball method was used to select the other interviewees. All interviews lasted 1 to 2 hours. The interviews were recorded and transcribed verbatim.

The main question always was: 'What are your experiences in working with principles of SCP?', which is a basic question in a phenomenological study like this (Creswell, 2007). One of those interviews spontaneously changed into a group-observation and interview. This meeting was attended by the client's project leader, the contractor's project leader, the client's building site supervisor, the contractor's front man, the subcontractor's managing director, and a contractor's intern. Furthermore, the client's head of 'department of living and social maintenance' and senior consultant of the 'department of living and maintenance' were interviewed as a duo.

In the third phase, the researcher presented the research outcomes and a group discussion followed. This meeting was attended by the client's managing director, both client's project leaders, the head of the department 'living and social maintenance', the contractor's commercial manager, the contractor's head of the regional branch, the contractor's project leader of the pre-realization phase, and the managing director of the subcontractor. The group discussion was recorded and transcribed verbatim. This discussion was used to gather data, and to validate the research outcomes.

| CLIENT | CONTRACTOR | SUB-CONTRACTOR |
|--|--------------------------------------|--|
| Managing director department of renovation and maintenance | Commercial manager | Managing director sub-contractor (installations) |
| Project manager | Head of regional branch | |
| 2 Project leaders | Project leader pre-realization phase | |
| Head of department 'realization and maintenance' | Project leader realization phase | |
| Head of department 'living and social maintenance' | Building site front man | |
| Senior consultant 'living and social maintenance' | | |
| Building site supervisor (hired as freelancer) | | |

TABLE 5.1 Participants in the case study

Data-analysis

Several different techniques to analyze data are applied. In first instance, three interviews that were considered as key interviews were used to analyze at sentence level. Following *Peverelli and Verduyn (2010)* we identified 'truth claims'. A truth claim is a sentence in which a respondent claims a certain truth. The following example (from another case study) shows how these truth claims are identified:

'The way I see it, supply chain partnering may be defined in many different ways. The way we perceive it, it looks more like a building team. Building team plus, instead of real supply chain partnering. And we are on our way to a perfect shape that fits us. But the definition is that we invite people in order to together realize a project. And that is how wide it all is.'

The truth claims that were identified are:

Supply chain partnering can be defined in many different ways.

Supply chain partnering is at least one step further than building team plus.

A perfect way that fits us exists.

The definition of SCP is that you invite people in order to together realize a project.

Then, the truth claims were categorized. The main category was 'who says what about who?'. We did this in order to find the configuration of groups. This theme is elaborated in [section 5.5](#). We call this configuration of groups a sociogram (**Table 5.1**) (Peverelli and Verduyn, 2010). A sociogram differs from an organogram, because it does not reflect the formal organizational structure as an organogram does, but it reflects the informal configuration of subgroups as interpreted by the researcher. We are aware of the disadvantages of using such a sociogram. A first disadvantage is that people experience the same reality in different ways. An objective and rational helicopter view is therefore impossible. Instead all participants (including the researcher) have a subjective and non-rational worm's eye view. Validity of the sociogram was increased by presenting the sociogram to the participants and asked for feedback. A second disadvantage is that each model, and therefore also this sociogram, is an abstract and static image of reality. However, informal relationships are detailed and dynamic. Moreover, informal relationships may be perceived differently by different people. The sociogram can never express the details and dynamics as perceived by all participants. We do not claim that we present the one and only truth. As Peverelli and Verduyn (2010) argue, drawing sociograms 'will not be the final goal'. Instead, it is a starting point to reveal power relations and the norms and values that they are based on the power relations.

§ 5.5 Case study results

Phase 1: Case description and starting situation

The four individuals that initiated this study collaborated in three Dutch renovation projects that respectively consisted of 110, 274 and 396 housing units in more or less the same team composition. All projects were renovated without moving the tenants out. Although in each project the team composition differed slightly, the four people that initiated this research consider themselves as a successful supply chain partnership. The repetition in collaboration was not intended from the outset, but developed throughout the years. In the first project, the contractor was selected based on a traditional procurement. For the other two projects, the contractor was selected based on a 'soft procurement'. A soft procurement means that costs and other financial conditions were just one of several other 'soft' selection criteria, such as the contractor's plans to communicate with tenants. While data were gathered, the contractor was in a selection procedure for a fourth project. Although they collaborated in several projects, it does not yet concern a preferred partnership. During the case study, the client's project manager decided to leave the organization to work elsewhere. Before perceived successes and challenges are described the client's and contractor's organization will be described briefly.

The client's organization

The client organization is a housing association in the east of the Netherlands and owns approximately 10,000 housing units. The participants in this case study all work for the department of 'renovation and maintenance'. The difference between the client's project manager and the client's project leader is that the project manager is involved in the earlier phases (such as initiation) of the project, selection procedures, and contracts, while the project leader is involved in the latter phases, such as designing, planning, calculation and realization phase.

A salient feature of this housing organization is that the management of this organization was involved in a fraud case a decade ago. The participants of this case study believe that this history of fraud still influences people's behavior in the organization. For example, there is still extra control by external committees. Especially in the process towards working with preferred partners, they expect difficulties because of this history of fraud. On the other hand, especially the project manager believes that the management understands that other ways of working, such as supply chain partnering, has advantages. He also believes that eventually it will be inevitable to

implement. A procurement policy still prevails at the moment of gathering data, but apparently the participants felt that there is room to interpret this policy creatively. As the project manager says, one always has to be transparent about one's reasons for approaching a project in such and such way.

The contractor's situation

According to the commercial manager and the head of the regional branch of the contractor, the management deliberately implemented a strategy of 'a new way of working'. According to the commercial management and the head of the regional branch, this forced a different attitude among building site workers and their supervisors at the building site. All employees had a choice to cooperate in this new strategy. If somebody choose not to cooperate, they had to leave the organization, as explained by the commercial manager. This actually caused forced layoffs, albeit in a step-by-step process. According to the managing director and the head of the regional branch, there have always been proponents and opponents to this new way of working, who were easy to distinguish. It started with approximately 50-50, and now they estimate it as 80-20%. According to the managing director, certain individuals are just not suitable for this new way of working. Those people, who apparently still work for this contractor, will not be planned in SCP-projects.

Successes and challenges

The collaboration is perceived as successful. A few experiences are: 1) The same team of building site workers worked in each project. The participants experience that the building site workers learn and adapt to each other's needs. For example, it is said that they carry each other's materials upstairs. 2) There were more internal evaluations. How the evaluations took place remained unclear in this conversation. Later in this case study, it appeared that the evaluations concerned mainly informal short evaluative conversations at the building site. According to the participants, building site workers can communicate their ideas, which makes them more motivated. Formal evaluations appeared to be technical of character. 3) A successful action was performed by the client's project leader. He went to the building site, and spoke to the building site workers how satisfied he was with the results. That was appreciated among the building site workers as well as the commercial managers and the head of the regional branch. 5) The contractor works with the ambition of 'zero delivery defects. The building site workers see it as a competition. They constantly remind each other of this ambition. If, for example, there are two delivery defects, they say 'hey, who did this?' In that way, they kept each other aware and sharp.

Challenges for future collaborations are also identified. 1) One of the client's challenges was the demarcation between renovations and maintenance. Internally, discussions were about what is service maintenance and what is not? 2) According to the client's project manager 'money' is still the most precarious point. The contractors say that they work with a profit margin of 2-3%. But the client's project manager questions how that is defined. He says that he does not believe that it actually is 2-3%. 3) Another challenge is routine. If a collaboration will last for more projects in the future, there is a risk that everything becomes a fixed routine. If one places a bath room for the sixth time, it may become boring. 4) Furthermore, within the client's organization there may be differences in culture and the types of contracts that are used are quite diverse.

Phase 2: The configuration of sub-groups

This section describes the subgrouping of informal relationships as interpreted by the researcher based on the interviews and observations. The sociogram has two main branches: 1) the successful supply chain, 2) others who are not directly engaged in the successful supply chain. The first group is called the successful supply chain, because the group members consider themselves as successful. The boundary between the successful supply chain and the others is not black and white. The informal relations are dynamic, may change over time, may be perceived differently by different individuals, and may overlap. Of course, the subgroups communicate with each other. **Table 5.2** shows the sociogram. This remainder of this section describes characteristics of the identified sub-groups.

| BRANCH 1: SUCCESSFUL SUPPLY CHAIN | BRANCH 2: OTHER |
|-----------------------------------|---|
| Construction workers | Construction workers |
| Subcontractors | The overlooked client's intra-organizational supply chain |
| Special positions | |

TABLE 5.2 The sociogram of identified subgroups divided into two main branches

The successful supply chain

The group of four people who initiated this evaluation, are part of this subgroup. Using a snow ball technique, other members of the successful supply chain are identified. The group conversation already indicated that the composition of this successful supply chain developed throughout years, rather than it was intended beforehand. It appears that individuals from different hierarchical positions in the organization participated in

the successful supply chain. These participants are another client's project leader, the contractor's project leader, the contractor's front man, and two sub-contractors with whom the contractor regularly works.

In general, members of the successful supply chain seem to share values about 'the new way of working' and recognize that in each other. However, for some people that is difficult to formulate that in words. For example, the contractor's planner who is part of this successful supply chain, says about the client's project manager: 'He does something that gives me the feeling that I can be open and honest'.

However, as mentioned, the boundaries between who is part of the successful supply chain and who is not, are not sharp. For example, the client's managing director says (and the others confirm this) that he supports this collaboration. However, the client's project manager misses concrete actions from this managing director that supports their initiative of working in this supply chain.

Despite the positive energy that is felt in group settings, a few remarkable observations that also describe the relation between the clients and the contractor in general must be mentioned. Throughout the process of gathering data, employers of the client organization from different departments and hierarchical levels (including the client's members of the successful supply chain), together created a memo in which they agree that for each type of project a suitable form of contract will be determined. This memo says that occasionally a contractor might be selected one-on-one, for example when the project is under high time pressure. One of the reasons for this choice is that the client is afraid to lose the advantages of competitive pricing that is guaranteed in traditional procurement methods.

At the moment of gathering data the professionals that work for the contractor seem to be not aware of this client's strategy. Interviewees from the contractor party make clear that they put extra effort in the projects, because they aim at becoming a preferred partner. The contractor's calculator mentions that the costs that they made to participate in the selection process have to be earned somewhere. As one interviewee formulates it 'if one lies about the general costs, one has to lie about the composition of the pricing as well. Otherwise, as a contractor, you will never get the right prices'. Related to this, sometimes a remarkable use of words reveals something about the respondent's feelings about contractors in general. A client's interviewee says, 'I am not totally naïve, I understand that the contractor aims to earn a few pennies'.

Special position within the successful supply chain

Within the successful supply chain some individuals have a special position. These individuals are 1) the project leader about whom is said that he does not understand yet the principles of supply chain partnering and the actions that these principles provoke and 2) the client's building site supervisor. As for the former, the individual interviews show that the project leader, who was one of the group of four people that initiated this research, does not have the successful image as the initial group conversation suggested. In the one-on-one-interviews with the group members, it was said that the client's project leader does not understand what type of behavior this new way of collaboration demands. It is said that he sometimes 'falls back into his old behavior', by which it is meant that he, among other things, tries to control the contractor too much. Occasionally sometimes the interviewees do refer to other such individuals as well (such as one of the client's other project managers). The language that is used to describe these persons is remarkable. Interviewees tend to say things like 'we are a little bit more developed in our thinking', inherently suggesting that they are more developed than others. One person says about the project leaders: 'that is just really bad'. The project leader is aware of his image. He says that he is well aware of the advantages of this way of working, but that he has the feeling that not all contractors are decent enough to work this way. However, this project leader considers the contractor in this case as dependable enough. Further, this project leader says that he aims to change, but experiences this as a difficult process and sometimes he catches himself to be 'controlling too much'. It appeared to be difficult for the others to address this feedback to this particular project leader, although 'more internal evaluations' was identified as a factor of success of this supply chain partnership.

What's more, as for the role of the client's supervisor, the members of the successful supply chain have a vision on how he should work. According to the rest, the task of the building site supervisor should be controlling quality. If the client's building site supervisor tries to control too much how the building site workers should do their jobs, there is a chance that responsibility shifts from the contractor to the client. For example, if the client's building site supervisor insists on using a certain glue, the risk shifts from the contractor to the client. The client's building site supervisor says that he experiences problems at the building site, that makes him control the building site workers and this in turn inhibits him to have the 'right' attitude. As the contractor's project leader says, a consequence is that the he tries to 'work around' this client's building site supervisor, by which he means that he (and the building site workers) accept the situation and try to make the best of it.

Building site workers who are part of the successful supply chain

A special sub-group within this successful supply chain consists of building site workers that worked in the same team composition in each project. As the members of the successful supply chain say, they are adapted to each other's needs. This adaption is expressed in, for example, carrying each other's materials upstairs. However, the client's building site supervisor has a different view on this. He says that this may have been the case on a number of occasions, but this is not business as usual at all. Another successful aspect of this team of building site workers is, according to most members of the successful supply chain, the 'zero delivering defects'. However, also at this point, the client's building site supervisor takes a different view. He says that when the delivery is checked, 'the last flaws are cleared away', to formally have zero delivering defects. If there is still a delivery defect, the building site workers say, 'just give me one minute to fix it' and they will instantly fix the problem. Either way, the amount of delivering defects seem to be diminished.

The team members of the successful supply chain mention that an advantage of working with the same team of building site workers in multiple projects, is that they work faster and that makes it more difficult to estimate labor costs. Especially when it concerns large projects, for example 400 living units, 'the law of big amounts' comes into force, as both the client's project manager and the contractor's calculator acknowledge. One respondent of the contractor party gives a concrete example. It is always difficult to calculate how much a job, such as placing a window frame, will cost. However, it is important to know how long such a job will take and to calculate labor costs for this job. As one respondent explains, 'If we calculate an hour too much for an apartment (on a job of 400 living units), and we calculate €40,- per hour for a building site worker, it will cost them € 16.000,-. The other way around it will cost us €16.000,-'. Thus, the advantage of repetition makes it more difficult to estimate costs. Placing the first window frame, will probably take longer than placing the last window frame, when construction workers developed a routine in doing that.

Related to managing a project's labor costs, is managing a project's material costs. Different views circulate when it comes to costs of materials – and the money that can be saved by smart purchasing of materials. The client's project manager holds the opinion that a contractor 'is not allowed to make money on purchasing materials', for which he does not provide a reason. Not all other respondents agree with this vision. Still, the project manager proposed to use any possible profits gained from smart purchasing of materials as a risk buffer and – if necessary – use it to pay any unexpected costs. If the project is finished and there is still money in this risk buffer, the contractor is allowed to keep a part of this money. The contractor's head of the regional branch did not share this project managers' view, but agreed with this proposal anyway.

The sub-contractor as part of the successful supply chain

Other members of the successful supply chain are the sub-contractor, although none of the client's respondents never specifically invited them. The contractor works with two preferred subcontractors of which one participated in this research as an interviewee. Some respondents from both the client and contractor side, mention the price negotiation system between the contractor and subcontractor. According to a client's respondent, the contractor has a special purchasing strategy. 'They work with preferred partners, and although they know they are preferred partners, there is still a negotiation process'. This respondent considers this a bit shady. According to this respondent, if there is still space for negotiation, apparently, the sub-contractor did not offer his best price in the first place. However, on the other hand, the contractor's calculator argues that it is a good thing to 'reciprocally give arguments', because that is also a form of transparency. In order to increase transparency, the client's project manager was invited to attend the negotiation process and see all the sub-contractors' bids, but he never made use of that.

The client's employers that are not part of the successful supply chain

The configuration of sub-groups shows that there are two branches: the successful supply chain and others that are not member of the successful supply chain. Some individuals are not involved in the changes in supply chain partnership, while this researcher expected them to be part of it. The first party that is not involved is the department of 'living and social maintenance', who is responsible for communication with tenants in general. Amongst respondents it is unclear how the successful supply chain partnering influences the role of this department. Communication with tenants by the contractor is important in the supply chain partnership, and has become an important aspect of the selection procedure. Sometimes, the contractor hires an extra person that is responsible for this communication. The department of communication with tenants was engaged in multiple selection procedures, but there hardly is any communication between the contractor and the employers of 'living and social maintenance'. There is a story of a letter to tenants that was passed over to several individuals, such as the client's project leader, the contractor's project leader and the client's consultant of the department of 'living and social maintenance'. It was not clear who was responsible for the quality of this letter. The respondents from the department itself argue that, compared to the old way of working, their role will become more specific. Perhaps in the future the contractor will do the general communication, and this department will focus on special and difficult cases. However, in the interview they say that they have never actively thought about this yet.

The second party that is not actively engaged in the successful supply chain, is at the beginning of the supply chain, where, for example, financial budgets are determined. The client wants the contractor to come up with innovative ideas. However, when the contractor is selected, basic budget and exploitation period are fixed. It is possible to change the budget, but then 'the project leader has to come with strong arguments' and convince the other department in a formal way. It seems something that the project leader and the project manager want to avoid at all costs if possible, because it takes extra time. Thus, the innovative ideas that the contractor can bring about are delimited, based on budget and time.

The third party that is not actively engaged in the successful supply chain, are the colleagues of the maintenance phase. The contractor normally provides guarantees, as would happen in a traditional procurement, but maintenance phase (or a part of it) is not part of the contractor's responsibilities. The client organization employs its own technical staff, and does not intend to change this.

Building site workers that are not member of the successful supply chain

There is a group of building site workers that is not part of the successful supply chain. The language that is used when respondents speak about this group is remarkable. This group of people is characterized as 'lazy', 'unwilling', 'not motivated' and 'unreliable'. Powerful language is used when they speak of building site workers, such as 'if you don't control those guys, everything goes completely wrong. They just don't work very hard. [...] Of course, there are also good ones, but in general they are slackers'. Another interviewee formulates it more positively as 'free people' or 'people who like to work outdoors'. The contractor's commercial manager explains: 'if they are allowed to clock off at three, at a quarter to three they will sit in their van waiting to go home'. All respondents with whom this group is discussed see differences between different types of building site workers. For example, building site workers in renovation projects have to be able to communicate with tenants, whereas the building site workers in new-to-build projects do not have to communicate with tenants. The contractor's commercial manager says that some building site workers are not able to work on renovation project, because of their inability to communicate with tenants. In addition, differences in behavior between different types of building site workers, such as bar benders and electricians are identified. No building site worker was interviewed for this research.

§ 5.6 Discussion

The results describe the configuration of subgroups. The next step is to try to understand what this configuration of subgroups represents. This section is divided in two parts. First, the power dynamics between subgroups is explored further, based on a few examples. Second, we propose five observations that say something about successfulness of this supply chain.

Power dynamics between subgroups

The results show multiple cases of visible power exercise between people. An example of power between subgroups being exercised visibly, is when the head of the regional branch and the subcontractor negotiate about pricing of a certain project. They ‘reciprocally give arguments’ and reach a price that they could both agree upon. Even though this is perceived by some as shady, it is a visible process of exercising power. Another example is when the client’s project manager claims that contractors are not allowed to make money on smart purchasing of materials. He proposes a system involving a risk buffer, something which the contractor’s head of the regional branch agreed to, although he does not think this is fair.

The cases also show examples of hidden power exercise. A form of hidden power is the situation in which the contractor implicitly expects to become a preferred partner and the client seems to benefit from this expectation. Silence about this topic is observed (and perhaps evaded by) talking about more ‘safe’ and tangible topics, such as labor costs and material costs) or the decision about it is postponed. Nonetheless, at the same time members across the client organization together created a memo that clearly says that the client organization does not intend to work with preferred partners. When this topic was discussed in the final group conversation, the client’s managing director refers to the client’s Board of Governance, who, as the managing director claims, will never agree with working with preferred partners, because of their history of fraud. Thus, he implicates that he is interested in making them preferred partners, but at that moment he was unable to do so. By taking this position, the hidden form of power dynamics remains as it is.

Another form of hidden power is used in the case of the client’s building site supervisor. Although he has serious arguments against this new form of collaboration, the rest of the successful supply chain does not seem to really listen to his set of arguments. His arguments are swept off the table, and instead they ‘work their way around’ him. Also, hidden power is used in the case of the client’s project leader who is said ‘to control the contractor too much’. Although regular evaluation was mentioned as a factor of

success in this successful supply chain, this project leader does not receive open and honest feedback. Because this is never discussed openly, the project leader does not get a chance to defend himself. It also makes it more difficult for him to prove otherwise. If, occasionally, the topic is on the table anyway (for example, this happened in the third phase of this research when the researcher presented her findings to the participants), both parties downsized the topic and swept it off the table.

The third dynamic of power is when power is internalized in such a way that the participants do not even realize that there is an exercise of power. This research argues that the way in which some people speak about and treat building site workers that are not engaged in this successful supply chain, might tend to be an example of this third internalized power. It is normal to calculate labor costs of building site workers very precisely, while it is not normal to calculate office work in a similar way. At least it raises some ethical questions. The main ethical question is why building site workers are thought of and treated in a completely different way than people who work at the office.

Five observations about the successfulness of the supply chain

The first observation is that the perception of being a successful supply chain has positive spinoffs. The perception of success is based on multiple experiences that they had and that were perceived as successful. Although the list of successes is somewhat arbitrary, concern different phases in the building process, differ in size, effects are not clear and there are as many challenges as there are successes, there seems to be a general belief that this group operates successfully. Also, labelling oneself as a successful supply chain has positive spin-offs for the atmosphere within the group. The participants start to communicate with each other in a more friendly and respectful manner. As another spin-off, in this case, the success is shared both by clients as well as contractors. Declaring oneself as a 'successful supply chain' implicates an intention to collaborate again in the future. This is clearly an advantage for the contractor's side. Indeed, the results show that the contractor's commercial manager invested time, money and effort to become a preferred partner. Therefore, the client also benefits from this contractor's implicit expectation of becoming a preferred partner.

The second observation is that, although the participants of the successful supply chain communicate *with* each other in a more friendly and respectful manner, at some points the participants of the successful supply chain communicate in a less friendly and respectful manner *about* each other. Within the successful supply chain, individuals are identified by others who are said to not adhere to the ideology or about whom it is alleged that they do not understand how to apply it (the client's building site supervisor and one of the client's project leaders). The results also show that, as for individuals who (in the eyes of the successful supply chain) do not adhere to their ideology of SCP

or how to apply it, no specific actions are undertaken to change this situation. The main strategy to cope with these people is to avoid talking about it, and as one respondent says, 'try to work one's way around those people.'

A third observation is that the ideology of SCP is applied inconsistently. This observation is grounded in our data at several points. First, within the successful supply chain there are individuals about whom is spoken negatively, but those individuals are not provided with constructive feedback, although one of the successes were more internal evaluations. Thus, in this specific case, the self-declared successful supply chain does not apply their values to their own group members. A reason to not express this critique for the contractor's side can be that it is not in their 'strategic interests' to do this (perhaps the contractor is still afraid to criticize their client's behavior), but it may also be a lack of competences to start this conversation in a constructive manner. Furthermore, the client's project manager claims that a contractor is not allowed to earn money on smart purchasing is part of the SCP, but not grounded in rational (and by some not considered as fair) arguments. The values of SCP are not applied to building site workers that are not part of the successful supply chain. Therefore, applying SCP has a somewhat opportunistic character.

A fourth observation is that the ideology of SCP is applied to only a limited part of the actual supply chain. One of the challenges was 'the demarcation between renovation and maintenance'. However, related to this, it was observed that at some points there was a demarcation between the successful supply chain and others. In other words, it was observed that the supply chain can be thought of as something wider than the participants were (actually) aware of. Especially the demarcation with the department of 'communication with tenants' and the department where the financial budgets cause process delay and decrease of quality at some points. Therefore, the question is not so much about what the demarcation should be, but (rather) how responsibilities of tasks of other departments in the client's organization change due to applying SCP.

The fifth observation is that, although applying SCP may have positive spin-offs, the underlying problems in collaboration that SCP is trying to solve, has not changed. This is illustrated best by the first example of the hidden face of power: the contractor acknowledges to put more effort in this collaboration, with the hope and/or expectation to become a preferred partner. The client, whether consciously or unconsciously, lets them believe that this is the case. However, at the same time, a memo was developed in which they decided that the client prefers processes of 'soft selection'.

§ 5.7 Conclusion

A client's project manager and a project leader, and a contractor's commercial manager and contractor's head of regional branch asked for an evaluation on what they consider an example of 'successful supply chain partnering'. The configuration of sub-groups may be thought of as an expression of SCP and the underlying norms, values and actions that are undertaken. We presented the configuration of subgroups and the relations of subgroups. An analysis of the configuration shows that the perception of being a successful supply chain has positive spinoffs, such as a good atmosphere in the group. However, although the participants of the successful supply chain communicate *with* each other friendly and respectfully, at some points the participants of the successful supply chain communicate less friendly and respectfully *about* each other. Moreover, the ideology of SCP is applied differently in different situations, therefore applying SCP has a somewhat opportunistic character. Further, the ideology of SCP is applied to only a limited part of the actual supply chain. Lastly, we have observed that, although applying SCP may have positive spin-offs, the underlying problems in collaboration that SCP is trying to solve, has not changed. It is up to the participants themselves to decide whether this set of norms and values represents their success.

It must be noted that it is possible that the members of the core team initiated this research with a hidden agenda. That agenda may involve showing goodwill in participating in supply chain partnership to each other and perhaps also to other potential clients and contractors (perhaps even without being aware of it). The (particular) setting may have prompted participants (also perhaps unconsciously) to respond to questions in an adjusted way. However, data also show that each participant said things that made them vulnerable and there is no reason to assume that in the interviews false information was provided intentionally. Besides, the data still result in a perspective on supply chain partnering that we think is worth considering.

This study was not conducted to get to know the one and only objective reality. Rather, it shows that a situation can be experienced differently by different actors. Therefore, readers are invited to read this with a critical view and come with alternative visions. A sincere ambition to try to understand each other (and oneself) is most important to keep ongoing processes alive.

The results of this study may provoke practical interventions, such as engaging actively more client's departments, such as 'living and social maintenance'. But before jumping to such practical interventions, understanding SCP as an emergent practice, means that patterns came about through a complex interplay of individuals, rather than through the managerial interventions. Therefore, one must understand that

managerial interventions are but one step in problem solving processes. Informal relations within and between organizations should undergo an ongoing evaluation. This discussion is not a one-time conversation to get it right for once and for all. It takes time to address these issues and it requires vulnerability of the participants. The identified issues came about through the interplay of people and the issues can be solved in exactly the same way.

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