

# Creating relationship continuity across projects in the construction industry: Deliberate, emergent and deliberately emergent strategies

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## **Creating relationship continuity across projects in the construction industry: Deliberate, emergent and deliberately emergent strategies**

### **Abstract**

**Purpose:** The purpose of this paper is to investigate relationship continuity across projects among actors in the construction industry, and to discuss why and how such continuity takes place.

**Design/methodology/approach:** We draw on the results from four in-depth case studies illustrating different strategies for pursuing relationship continuity. The results are analysed and discussed in light of the oft-mentioned strategies suggested by Mintzberg (1987): emergent, deliberate and deliberately emergent strategies. Furthermore, the ARA-model is used to discuss why relationship continuity strategies are pursued, and which factors might enable and constrain relationship continuity.

**Findings:** Our main findings are two-fold. First, we found that the strategy applied for pursuing relationship continuity may, in one time period, contain one type of strategy or a mix of strategy types. Second, the type of strategy may evolve over time, from one type of strategy being more pronounced in one period, to other strategies being more pronounced in later periods. The strategies applied by construction firms and their counterparts can thus contain elements of emergent, deliberate and deliberately emergent strategies, in varying degrees over time. It is also shown that the strategies of the involved actors co-evolve as a result of interaction. Also, the main reasons for pursuing continuity appear to lie in the re-use and development of important resources and activities across projects to create efficiency and the possibility to develop mutual orientation, commitment and trust over time, and thus reduce uncertainty.

**Research/practical implications:** Further empirical studies are needed to support our findings. For managers, the main implication is that relationship continuity can arise as part of an emerging interaction pattern between firms or as part of a planned strategy, but that elements of both might be needed to sustain it.

**Originality/value:** We combine Mintzberg's strategy concepts with the ARA-model to bring new light to the widely debated issue of discontinuity and fragmentation in the construction industry.

**Keywords:** construction industry, relationship, continuity, strategy, project, ARA

## **Introduction: interpreting long-term relationships in the construction industry**

Based on the results of the first IMP study concerning interaction patterns between firms (Håkansson, 1982), a large number of empirical studies demonstrating the importance of business relationships have been carried out. The cumulated results indicate that firms often engage in intense interaction with their most important counterparts, and that they do so over long periods (Håkansson et al., 2009). Such long-term relationships have been shown to contain numerous adaptations and ‘heavy’ economic investments (Håkansson and Waluszewski, 2002). There is therefore a ‘substance’ of business relationships that indicate value-creating processes that go beyond single transactions and episodes: value is created over time as the counterparts mutually adapt and orient themselves towards each other. Through such adaptations, enduring relationships enable the capture of relational economies of scale, scope and repetition. Thus, it has been claimed that adaptations neither are (nor should be) made randomly or in an ad hoc manner, but have a strategic dimension in terms of building interdependencies systematically (Håkansson and Ford, 2002; Gadde et al., 2003).

Most IMP studies are based on observations from manufacturing and process type industries. The construction industry, on the other hand, is organised by projects, implying that temporary organisations are created for each project. In several studies, it has been argued that relationships in the construction industry are short-lived. On one hand, these short-lived relationships are attributed the centrality of the individual projects (e.g. Gann and Salter, 2000; Winch, 2003); on the other, to the tradition of relating to counterparts in certain ways (e.g. Miozzo and Dewick, 2004). The supply chain is reported as being characterised by adversarial relationships (Dainty et al., 2001), and more related to temporary networks than ‘permanent’ ones (Dubois and Gadde, 2002). There is also a tradition of using competitive bidding procedures in several tiers of the supply chain, although other purchasing strategies could be applied (Bygballe et al., 2010). Dainty et al. (2001) point to this tradition as a problem, as it is part of creating hierarchical relationships between the main contractor and the subcontractors in an increasingly fragmented supply chain. In turn, these interaction patterns are seen as creating problems for organisational learning, innovation and ultimately, the level of productivity of the industry (e.g. Egan, 1998). As expressed by Miozzo and Dewick (2004, p. 6), it is creating ‘discontinuities in the development of knowledge and its transfer within and between firms, and from one project to the next.’

Nevertheless, even in the construction industry, we can observe that some relationships are carried over from one project to another; i.e., we observe some *relationship continuity* across projects (e.g. Dorée and Holmen, 2004; Holmen et al., 2005; Crespín-Mazet et al., 2015; Havenvid et al., 2016). It has been indicated that business relationships are a way for construction actors to capitalise on investments across projects (Holmen et al., 2005). There is also increased attention towards partnering agreements, which are meant to deepen the collaboration between the project actors, both within and across projects (e.g. Barlow and Jashapara, 1998; Bresnen and Marshall, 2000; Crespín-Mazet and Ghauri, 2007; Crespín-Mazet, et al., 2015). While long-term relationships and various collaborative forms are common in other industries (e.g., the automotive industry), partnering is a relatively new phenomenon in the construction industry. By promoting close collaboration and shared risk-taking between

partners through joint decision-making and financial transparency, partnering creates mutual benefits through increased involvement in the relationship. The overall purpose is to increase the efficiency of the otherwise 'inefficient business processes' in construction (Bresnen and Marshall, 2000, p. 230). In terms of achieving such a long-term type of commitment, Gadde & Dubois (2010) identify the main issue: allowing production activities to transcend the organisational boundaries of the single firms and projects, i.e., to implementing long-term and high-involvement relationships across projects. Thus, while there are indications of long-term business relationships playing an important role in this industry, there are also many limitations to promoting these relationships, as identified above. Therefore, we find it relevant to look further into relationship continuity in the construction sector by asking the following research questions:

- *Why and how does relationship continuity take place in the construction industry?*
- *What influences the persistence of relationship continuity?*

Therefore, the purpose of the research and the focus of our inquiry is to identify and explain why and how relationship continuity can take place in the construction industry, as well as to identify factors and reasons that influence the persistence or transience of relationship continuity once established. We investigate this phenomenon empirically through four case studies in which construction companies intended to, and/or acted to bring about relationship continuity across projects. Theoretically, we engage in ideas about strategy formation, more specifically, deliberate and emerging strategy concepts developed by Mintzberg (1987; 1990) and Mintzberg and Waters (1985). We propose that these strategy concepts can be used for continuous business relationships. Furthermore, we combine these concepts with the ARA-framework developed by Håkansson (1987) and Håkansson & Snehota (1995). By combining the intention behind business actions, i.e., the planned or emerging strategies of relationship continuity within the ARA-framework, we shed light on the issue of relationship continuity in the construction setting. More specifically, we can see how and if strategies result in materialised effects on the actor layer, the resource layer and the activity layer. The main contribution of the article is the discussion of relationship continuity and how it may come about in the fragmented construction sector through the combined use of Mintzbergs' strategy concepts and the ARA-model.

The outline of the paper is organised as follows: first, we present ideas about strategy formation, followed by a discussion about how relationship continuity is related to these strategies. Thereafter, we present the ARA-framework and its three layers of activity links, resource ties and actor bonds. Then, we combine the strategy concepts with the ARA-framework to enable a discussion of relationship continuity. After the presentation of the theoretical basis, we present a methodology discussion, followed by a presentation of the four cases. Each case is analysed individually followed by a cross-case analysis in which we use the strategy concepts in combination with the ARA-framework. In the concluding section, we answer the research questions, discuss the limitations of our study and open up for further research, as well as present some managerial implications based on our findings.

## Theory

### *On deliberate and emergent strategies*

In our investigation into how relationship continuity arises, we rely on the canonical strategy concepts suggested by Mintzberg (1987; 1990) and Mintzberg and Waters (1985, p. 257) who 'distinguish *deliberate* strategies—realized as intended—from *emergent* strategies—patterns or consistencies realized despite, or in the absence of, intentions'.

In some cases, the strategies companies implement are intended and have been meticulously planned before becoming company policy, thus making them so-called 'planned strategies'. However, in other cases, the strategies companies implement emerge more as patterns of consistency that reflect the coherent and persistent choices made and actions taken by single employees, groups of employees or a majority of the employees, over a period of time, without or despite the strategic plans and intentions of leaders at the centre of the organisation.

Although the distinction between deliberate and emergent strategies is of the utmost importance, Mintzberg and Waters (1985) also emphasise that, in reality, there are few pure deliberate or pure emergent strategies. Rather, most real-world strategies contain deliberate and emergent elements, because companies need to 'exercise control while fostering learning'. The mixing of deliberate and emergent strategies can take many forms. Mintzberg and Waters (1985, p. 263) in particular mention 'umbrella strategies' as common in contexts in which leaders have only partial control over the other actors inside the organisation and the external environment. In umbrella strategies, 'leaders set general guidelines for behaviour—define the boundaries—and then let other actors manoeuvre within them'. As such, umbrella strategies are 'not only deliberate and emergent (intended at the centre in its broad outlines but not in its specific details), but also 'deliberately emergent' (in the sense that the central leadership intentionally creates the conditions under which strategies can emerge' (Mintzberg and Waters, 1985, p. 263). Furthermore, umbrella strategies are particularly useful when the surrounding environment is uncontrollable and unpredictable, because it is necessary that a variety of actors in the organisation be able to respond to the unfolding environment. In addition to suggesting the concept of umbrella strategies that mix deliberate and emergent elements, Mintzberg (1987) also posits that strategy patterns from the past can become strategy plans for the future.

Over time, the mixing of deliberate and emergent strategies has been investigated in various settings and discussed from different theoretical angles by Bourlakis and Bourlakis (2001), Eisenhardt and Sull (2001), Grant (2003), Andersen and Nielsen (2009), Bodwell and Chermack (2010), Leitner (2014), Mirabeau and Maguire (2014), Lindstedt (2015), Neugebauer et al. (2016) and Jarzabkowski et al. (2016). While all these studies corroborate the relevance of the concepts of deliberate and emergent strategies, they also underscore the importance of reconciling emergent and deliberate strategies.

For example, Grant (2003) discuss hybrid or mixed strategy forms under the label of ‘planned emergence’, and Bodwell and Chermack (2010) discuss ‘scenario planning’ and contingency oriented strategies in which multiple strategic alternatives are outlined or sketched and are brought into effect as the environment or business context changes in particular directions. In addition, the concept of ‘simple rules’ suggested by Eisenhardt and Sull (2001) is an attempt at mixing the deliberate with the emergent, in the sense that simple rules guide companies in choosing which opportunities to pursue in an unpredictable world, and may consist of how-to, boundary, priority, timing and exit rules. From a strategy-as-practice view, Jarzabkowski et al. (2016, p. 254) claim that ‘the assumed tension between deliberate planning practices and emergent strategies represents a false dichotomy’, since managers’ planned strategies need to be continuously adapted in response to the strategies that emerge from the multiple levels of an organisation. In short, ‘emergence involves continuous deliberation’ (ibid). Also stressing strategy as resource allocation, Mirabeau and Maguire (2014, p. 1202) show how emergent strategy originates from autonomous strategic behaviour, and that such behaviour may become realised strategy by wider support. Alternatively, they posit that autonomous strategic behaviour becomes ephemeral when no support or resources are mobilised in its favour and/or when it is not seen as consonant with the prevailing strategy. In summary, while it is valuable to distinguish between deliberate and emergent strategies, the two types of strategies can (and should) also be seen as related—either by being used in combination at one point in time (and thus with short oscillations among the two types), or by being serially connected over time (thus with longer oscillations among the two types).

***Relationship continuity across projects resulting from deliberate and/or emergent strategies***

In this research, we study the strategies used by construction firms for implementing relationship continuity across construction projects. Therefore, we must first explicate what is meant by *relationship continuity across construction projects*. In its most basic form, relationship continuity across projects exists when a company encounters the same counterpart in two projects, whether these are parallel, partially overlapping or sequential over time. Furthermore, the ‘strength’ of the relationship continuity across projects is connected to a set of factors. The larger the number of projects the relationship entails, the larger the percentage of the company’s overall turnover these projects represent, the longer the period of time the projects stretch over, the higher the intensity of the cooperation between the company and the counterpart, and the higher the intensity of the interaction taking place between the company and the counterpart, determines the overall strength of the relationship.

Furthermore, and related to the strategy concepts discussed in the previous section, continuity is related to the passing of time, and may be observed and assessed at different points in time. In particular, we may distinguish between a forward-looking perspective and a backward-looking perspective. That is, *forward-looking relationship continuity* implies that a company has the intention, plan, vision or goal to engage in continuous interaction with a counterpart over an extended period of time, whether or not the company has a prior relationship with the counterpart. In a project-organised setting, the company has carried out one or more projects with a counterpart, and intends to carry out one or more subsequent projects. Alternatively, in

this setting, the company might not yet have participated in a project with a counterpart, but intends to carry out two (or more) projects in the future.

In contrast, *backward-looking relationship continuity* implies that a company has engaged in continuous interaction with a counterpart over an extended period for two or more projects. The continuity can have taken place due to either the company having acted according to its intentions to cooperate with particular counterparts across several projects, without the company having had such intentions, or despite it having had intentions to do the opposite, i.e., to definitely not engage in cooperation with particular counterparts across several projects.

Second, we must outline the form of the strategies through which relationship continuity across projects can take place. Relating the aforementioned concepts of (1) planned, intended or deliberate strategy, (2) umbrella or deliberately emergent strategy and (3) emergent strategy with the issue of relationship continuity across projects, we can outline three different strategies.

A *deliberate strategy for relationship continuity* implies that a company sets aside time to methodically develop a detailed plan that emphasises the continuity of cooperation across projects with particular counterparts. The company communicates the plan and the actions needed to implement the plan to its employees. Not only are resources formally allocated to those responsible for implementing the strategy, information is collected and systems are made to support the implementation of the strategy, and top-management support is offered to signify the importance of the strategy. The company initiates cooperation in and across projects with the selected counterparts, taking possible future projects into consideration. The company develops goals and targets for measuring relationship continuity across projects, and it measures the degree to which relationship continuity across projects has been reached. When it is discovered that goals have been reached, corrective measures are taken, and the employees who have not acted according to the plan and intentions are given corrective instruction. The company prioritises the counterparts in projects it is involved with, whether the project is initiated by the company or by the counterparts. The company meets with the top management from the counterpart organisation to develop a common understanding and mutual commitment to the strategy. The company expects the counterparts to prioritise continuity in the relationship with the company as well, and to plan and act accordingly.

In a *deliberate-emergent strategy for relationship continuity*, the leaders in the company outline some general guidelines, visions, philosophies and/or values that stress the importance of relationship continuity across projects. The company makes information systems that incorporate elements of previous relationship experience, which thus captures relationship history and continuity with different counterparts, and it collects and makes available information that the employees in the company can use when choosing among potential counterparts to involve in individual projects, and which propositions from which counterparts should be prioritised. The company develops general rules or a variety of learning histories, which inspires employees to pursue relationship continuity across projects. The leaders inspire, engage and aim to show employees why relationship continuity across projects is beneficial, and how it may be cultivated. The employees who are responsible for the strategy being realised initiate cooperation across projects with counterparts. However, the company also relies on the

employees to learn how, when and why pursuit of relationship continuity is beneficial, and when it is not, or no longer, beneficial. By doing so, the general rules can become better grounded in the employees' experience with the strategy.

Two alternative settings are possible for *emergent strategies for relationship continuity*. In one setting, the company neither has a plan, nor does it have overall guidelines, visions or goals that compel it and its employees to attend to relationship continuity across projects. This type of company will also lack any systems devised to systematically capture aspects of relationship continuity across projects. Regardless of this lack of a plan, single employees, subsets of employees or even a majority of the employees in the company may pursue relationship continuity across projects. They do so because they personally prefer to pursue relationship continuity across projects. Such individuals may be seen as fiery spirits without whom an actual strategy would not emerge, and whose perseverance is necessary for the pattern to take place. In cases where a majority or larger group develops continuous relationships, there may be a company subculture that promotes ideas or actions beneficial to relationship continuity. The preference for relationship continuity may be general, i.e., continuity is the preference regardless of the (type of) counterpart. Alternatively, the preference for relationship continuity may be more specific; i.e., there may be a preference for continued interaction with single particular counterparts, or counterparts who exhibit certain advantageous features. Individuals or groups may have devised methods or more personal information systems that enable them to pursue relationship continuity across projects in this setting; for example, by listing names and numbers of preferred cooperation partners in their calendars or lists of contacts. Employees may informally share relationship experiences and histories with each other and informally consult each other when choices are to be made. In a different setting, the company may not have a plan to consider relationships to counterparts, but to consider each project and each counterpart independently. Too much relationship continuity may be considered suspicious and detrimental, and employees may be encouraged to frequently change counterparts and not to cooperate with any purveyors of their personal preference. Even in the face of such strategies, relationship continuity across projects may occur, largely along the same routes as outlined in the first setting, although employees may have to spend time devising practices that help rationalise particular instances of relationship continuity as exceptions.

The emergent relationship continuity strategy can only be observed in retrospect, i.e., when realised. However, it may be viewed in relation to whether the company has a strategy to avoid continuity, as well as how many employees and which subgroups of employees pursue the strategy. The other two strategies, however, may be observed before their eventual implementation. In particular, the deliberate strategy can be assessed as to whether or not, the extent to which, or the period during which it was realised. The deliberately emergent strategy can be assessed in relation to how it was brought into effect, how it worked in different situations over time and how it changed due to the learning experiences of the involved parties. Therefore, we consider the three different strategies in relation to three levels of observed relationship continuity (little, some and much continuity) in Table 1.

In the next section, we take a closer look at the IMP perspective and its focus on long-term relationships, as well as present the ARA-framework.

*Insert Table 1 here.*

### ***The ARA-framework and relationship continuity***

As mentioned in the introduction, IMP studies have aim at understand the importance of relationship continuity for business development during a long period of time. IMP researchers not only focus on understanding internal factors inside a single company, but they focus even more on external factors, such as counterparts with which a single company interacts (Håkansson, 1982; Håkansson and Snehota, 1995). Thus, how companies and organisations relate to each other is the point of departure in developing business; as a consequence, business relationships constitute the core of economic activity. By relating to other actors, companies can access, adapt and combine resources, as well as link various activities together to create efficiency and innovation (Håkansson et al. 2009). However, the existence of a network of actors not only results in advantages, opportunities and benefits, but can also require significant investments. Moreover by engaging in relationships with other actors, the company gives up some of its control, and is therefore open to be controlled and influenced by other actors (Håkansson and Ford, 2002). The importance of long-term relationships and their effect on business development have been summarised in the ARA-model (Håkansson, 1982; Håkansson and Snehota, 1995). The model identifies three main layers of business relationships: the actor layer, the resource layer and the activity layer. Actors refer to companies, organisations and/or individuals that individually control resources, such as knowledge and production facilities, to execute certain activities, such as production and procurement. Through interaction actor bonds, social bonds, including trust and commitment, can arise between the actors. The resource layer focuses on physical and/or organisational resources necessary for business development. When resources are adjusted, combined and used in interaction with other resources, ties are developed between resources. The activity layer describes the activities that are linked between two or more actors. Thus, through increased interaction and mutual adaptation of resources and activities, the actor bond can be strengthened between two or more interacting actors. The ARA-model provides a framework for investigating how relationships between actors are developed and adjusted by connecting and combining various resources and activities across organisational boundaries. For this paper, we connect the ARA-framework to strategy formation, and use the ARA-framework to discuss factors that facilitate and/or constrain the continuity of relationships across projects in the construction sector. More specifically, we look into the three layers in which contractors practically engage in strategies for relationship continuity with other counterparts; how this pursuit engages the social bonds between actors is part of a process of combining resources and linking activities across the organisational boundaries of firms, and especially across the boundaries of construction projects.

In summary, to investigate how continuity of business relationships may take place in a construction setting, we rely on conceptualisations of strategies as being deliberate, emergent or deliberately emergent. We look for these strategies in business relationships in the

construction industry and, in particular, in relationship to the activity links, resource ties and actor bonds which make up such relationships.

### **Method**

To show how firms attempt to create relationship continuity across projects, we have applied a case-study approach, a commonly used methodology when investigating complex and multi-dimensional industrial settings (Easton, 2010; Halinen and Törnroos, 2005). For this paper, we use a multiple case-study design consisting of four cases. With support from Aaboen et al. (2012), we consider the use of multiple case studies to be fruitful in identifying a variety of patterns within certain processes. Thus, by providing an empirical description of four cases, we aim to present a variety of patterns on how construction actors handle continuity and long-term relationships across several projects. The four cases take place in Sweden and Norway. The two Swedish cases reflect two examples of how one of Sweden's largest contractors, N-contractor, handles continuity in two different type of project settings, while the two Norwegian cases reflect two examples of how one of Norway's largest contractors, V-contractor, tries to create continuity as part of two initiatives to create supply networks. Both the Swedish and Norwegian case studies belong to research projects derived from the same theory, the industrial network approach. Consequently, the data collections, as well as case descriptions, are shaped by the researchers' focus on understanding and investigating the 'industrial network' surrounding the studied construction companies and their associated construction projects.

The Swedish case studies are part of a larger research effort initiated by the Swedish Construction Federation in 2010 that investigated the drivers and barriers of industrial renewal in construction. The research project included a large survey of 400 construction companies, followed by semi-structured in-depth interviews with several respondents of the survey (Ingemansson, 2012; Håkansson and Ingemansson, 2013; Håkansson and Ingemansson, 2011), as well as three in-depth case studies of on-going construction projects in the Uppsala region, two of which are presented in this paper. The case study presented as 'Case 1' is based on 10 interviews and site visits conducted in 2012. Those interviewed included people in managerial positions representing the construction company, two customers and main suppliers and subcontractors. The case study presented as 'Case 2' is based on 20 interviews and site visits performed in 2012 and 2013. The interviews were all with people in managerial positions representing the customer, the construction company, the main subcontractors, the planning consultant and the architect. The case studies are also reported in Havenvid et al. (2016a), Crespin-Mazet et al. (2015), and Havenvid et al. (2016b).

The Norwegian case studies are part of a longitudinal research study of the main contractor, V-contractor, spanning 10 years. During this time period, two initiatives with the aim of creating supply networks, Case 3 and Case 4, were followed in real-time. These initiatives were followed by 1) participation in the main contractor's supply network initiatives, 2) approximately 60 semi-structured in-depth interviews with relevant people from the contractor and subcontractors, 3) attending various internal seminars, workshops and field trips to construction sites and 4) reading company documents related to the initiative. Several Master's students were also writing theses about the main contractor, and were supervised by the authors. The two

examples are also reported as more elaborate case descriptions in Holmen et al. (2007) and Holmen and Pedersen (2010).

### **Empirical basis – Four cases involving two contractors**

#### ***N-contractor Sweden- Case 1***

The first case concerned six related housing projects in Uppsala, Sweden. The focal project was the fifth in a line of projects, and is thus referred to as Project 5. Project 5 concerned the construction of four housing blocks of 200 apartments in central Uppsala between 2011 and 2013. For the Uppsala unit of *N-contractor*, this project was special in the sense that it involved two different customers and two types of apartments—two blocks were built as rental apartments for the public rental company *Uhem*, and two blocks were built as tenant-owned apartments for the internal housing unit of *N-contractor*, *N-Housing*. This meant that the project organisation needed to adjust to different types of customer demands and product features. To coordinate the construction of the housing bodies, *N-contractor* developed a re-occurring project organisation across the four previous projects in cooperation with *Uhem*, the largest housing customer in Uppsala. However, the two parties had worked together prior to these projects, and had an established relationship spanning more than 20 years. All of the projects included the same internal production team at *N-contractor* (same site manager and main engineers), the same main technical consultant, the same frame supplier and the same installation companies for ventilation, electricity and plumbing. As *Uhem* had been the sole customer on the four prior projects, the project organisation had adjusted its production to the demands of this particular customer.

Project 1 (2003-2005) was executed within a traditional contract. The following project, Project 2 (2005-2006), was the very first partnering agreement for both *Uhem* and *N-contractor* in the Uppsala region. The choice to partner was due to the need to reach a specific square meter cost on Project 2. *N-contractor* emphasised the possibility to create better buildings through deepened and transparent cooperation with the client through partnering, more specifically: 'There has to be a joint goal to develop the product [the building object] as it needs to be a development of the product for partnering to be beneficial' (Project manager, *N-contractor*). *N-contractor* emphasises the importance of engaging in partnering with an 'active' and 'knowledgeable' customer. Since 2005, *N-contractor* has engaged in many partnering contracts, and it is estimated that more than 70% of its projects are handled by partnering with other companies. The main bulk of these contracts include only the customer, while a few also include suppliers and/or sub-contractors. *Uhem* also emphasises that *N-contractor* understood the benefits of engaging in partnering agreements earlier than other contractors. Thus, it was not a coincidence that *Uhem's* first partnering agreement was with *N-contractor*. One main reasons for *Uhem* to engage in partnering is described as follows: 'Partnering creates continuity in projects by creating better procurement possibilities such as using HBV [the internal procurement unit within *Uhem*] along with the contractors' purchasing organisation' (Construction manager, *Uhem*). Thus, one main benefit of partnering identified by *Uhem* is the opportunity of joint procurement activities. Since the first partnering project, both the contractor

and the customer have had explicit goals to increase their use of partnering, and have deepened their interaction with important counterparts.

Due to the positive experience of partnering during Project 2, the two parties engaged in two more partnering projects, Project 3 (2007-2009) and Project 4 (2009-2011). In these projects, the formal partnering agreement not only included *N-contractor* and *Uhem*, but also the architect and the installation companies. *N-contractor* realised the need to include the installation companies in the partnering agreement, as they had used the same firms repeatedly across several projects, and could thus optimise the production further by inviting them to join the partnering agreements. By inviting the installation companies to join the partnering agreement, installation solutions developed on prior projects could be re-used, along with facilitating the interaction and adjustments among the installation companies themselves. *N-contractor* reflects on the deepened relationships with sub-contractors: 'We work a lot with cooperation, and yes, it becomes more long-term and somewhat strategic' (Project Manager, *N-contractor*). Due to the long-term and formal and informal type of interaction, the installation companies were well-coordinated and knew how to cooperate, particularly in relation to *Uhem* and its requirements for rental apartments. *Uhem*, on the other hand, pushed for the architects to be included, with the aim of achieving more cost-conscious projects.

The focal project of the study, Project 5, was executed within a traditional contract due to the fact that the project involved two customers. However, the involved actors still refer to the project as a cooperation project characterised by high interaction and interdependence, especially since the same actors worked closely on the four prior projects, except for *N-housing*. Working with this well-integrated constellation of actors, *N-housing* learnt about some advantageous solutions for rental apartments that could be transferred to tenant-owned apartments; for instance, how to utilise space in an efficient way. Meanwhile, *Uhem* learnt about how to better include the end-user needs. Furthermore, in parallel to the focal project, *N-housing* initiated another similar housing project of 170 apartments in the same area, Project 6 (2010-2013). *N-housing* became the sole customer, while the rest of the project organisation remained basically the same as the prior five projects.

In engaging the same project organisation (internal production unit, frame supplier, main technical consultant and installation companies), it was possible to optimise project delivery at the same time as new technical solutions were being included and developed through collaboration among the same project actors (such as the frame production that was developed from on-site production to prefabricated construction elements). To further facilitate the planning and production of the six projects, the projects were overlapped; i.e., while producing one project, the planning of the next project started. This method of handling projects in parallel was derived from the strategy of *Uhem*, which uses reference projects for each new project. As a consequence, the prior project acted as a reference for the following project. The site manager at *N-contractor*, which has been the same in all six projects and played a central part in engaging the same people and organisations, also reflects on the re-occurring project organisation by saying: 'We have had more or less the same organisation during a 10-year period, stretching six projects'. The investment of creating a re-occurring project organisation spanning several

projects resulted in *Uhem*'s decision to engage in strategic partnering<sup>1</sup> with three of its main contractors, one of which is *N-contractor*.

### ***N-contractor- Case 2***

The second case is the construction of a clinic designed to deliver proton radiation therapy to cancer patients. The facility is the first clinic for proton radiation treatment in the Nordic countries, and one out of around 25 facilities worldwide with the exact same type of cutting-edge radiation equipment. In 2001, the newly formed municipal organisation, the Municipal Alliance for Advanced Radiotherapy, issued a tender for the construction and management of the clinic. *N-contractor* and the large developer, *Academic Buildings (AB)*, jointly won the contract, and were therefore entered into their first partnering contract. A formal partnering agreement between the two main project actors was perceived as a requisite for completing the 100 million Euro project. More specifically, due to the involvement of high-risk medical and radiation equipment, being represented by a newly formed client organisation and having little prior knowledge in terms of earlier projects of a similar character, it was deemed a highly risky and demanding project. The Construction Manager at AB reflects on the high level of uncertainty: 'We would have a hell if we did not have the entrepreneur [contractor] with us'. As *N-contractor* already had an internal goal to increase its engagement in partnering contracts as a way to optimise project delivery, the first partnering contract between *N-contractor* and *AB* was signed. For *AB*, the clinic was the second partnering contract within the Uppsala region. High levels of uncertainty, high cost and the complexity of the project prompted *AB*'s acceptance of a partnering contract. However, *AB* explicitly emphasised the need for cooperation with the contractor regardless of any contract form.

The first partnering contract thus originates from an established relationship between *N-contractor* and *AB* spanning 20 years. Also, the organisation of the clinic project, both in the planning and production phases, represented several long-term and interrelated relationships, including relationships between the planning coordinator, the electricity installation company, the ventilation and plumbing installation company and a Latvian frame supplier. *N-contractor* and *AB* jointly handpicked this selection of companies, as well as specific individuals, due to how well their collaboration had worked for several years, and based specifically on two prior large projects of higher education buildings. Due to the relationship history with *AB*, it was possible for *N-contractor* to affect decision-making and give suggestions on suitable solutions on the two prior projects, even though they were executed within traditional contracting. The construction manager at *AB* describes the two previous projects: 'The company [N-contractor] was stimulated to suggest new ideas and solutions, and due to this, AB got very good solutions at a very good price'. The developer highlights the importance of key managers at *N-contractor* who create conditions for deepened interaction between the two parties. Thus, due to previous

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<sup>1</sup> Partnering contracts is to be evenly distributed among the three contractors during a three year period.

interaction, trust and commitment had been established between the two companies, which resulted in *AB* listening to suggestions made by the *N-contractor*.

Formalising the interactive relationship between *N-contractor* and *AB* into a partnering contract created important positive effects for both of the two partnering actors, as well as the rest of the project organisation. The partnering contract first stated ‘open books’, along with joint procurement by the two partnering actors. Although adjusting to deepened interaction was time and resource demanding, it meant that *N-contractor*, which in the former two projects had only been involved in the coordination of production, now took on an advisory role in the planning organisation and became part of the early decision-making. It also led to interactive meetings involving several of the project actors that had to meet regularly throughout the construction process due to information sharing. These meetings were also connected to an encompassing implementation of Building Information Modelling (BIM), involving several of the project actors in the different construction phases. Apart from educating the project staff and adjusting the organisation to using BIM, this led to the establishment of a ‘BIM manual’ that explained how to work with BIM on subsequent projects.

*N-contractor* and *AB* once again joined forces on a new project, with the intent to reap the benefits of investment in the relationship, and in particular, the investments made in the first partnering relationship. The now on-going project concerns the construction of a new administrative building at *Uppsala University*. Due to the positive effects of collaborating closely on previous projects, the same project organisation is used once again, including the client, *AB* (same key managers), *N-contractor* (same key managers, engineers and supervisors), along with the frame supplier. By using more or less the same project organisation, *N-contractor* and *AB* could use the specific solutions, joint procurement and meeting arenas developed throughout previous projects to facilitate the planning and production of the new project. Though only *N-contractor* and *AB* were the only partnering actors, other planning actors were invited to join in on the early phases of the project. By involving more actors in the project early on, *N-contractor* and *AB* hoped to facilitate interaction among the actors throughout the construction process, and also to optimise the project delivery of the project. The project manager at *N-contractor* commented on the adjustments implemented in the second partnering project by saying, ‘We are extremely early in the next project, and we [*N-contractor*] see what can get better and so is *AB*’.

### ***V-contractor Norway- Case 3***

Some years ago, *V-contractor* created a strategic process called ‘value creation in collaboration’, which focussed on value-creating co-operation with customers, suppliers and between employees and divisions within the firm. As a part of this process, the firm developed an initiative called ‘networks with technical sub-contractors’, i.e., suppliers of three types of technical services: electrical, ventilation and plumbing services. The aim of the project was ‘to develop a method for choosing and organising co-operation partners who will enable the firm to achieve competitive advantages’. This should enable the firm to become better at: (1) choosing optimal technical solutions for their customers, (2) handling interfaces among technical subcontracts and (3) utilising advantages stemming from co-operative relationships.

Based on the aim of the project, *V-contractor* classified all the suppliers in a catalogue called the 'Supplier Library', which contained the current preferred suppliers classified according to the materials they produced and/or the services they provided; for example, timber frames, steel or plumbing services. The Supplier Library contained two to six preferred suppliers within each category. To select the preferred suppliers, the purchasing department discussed each supplier with foremen, site managers and project managers, and selected the suppliers based on different criteria: 1) how financially 'viable' the supplier was, 2) previous experiences of working with the supplier in all phases of building projects (from the perspective of *V-contractor*) and 3) the willingness of the supplier to co-operate with *V-contractor* on several organisational levels.

As the initiative focussed on designing a supply network of technical subcontractors, the subcontractors delivering electrical, ventilation and plumbing services were selected. In total, nine suppliers were selected—three for each type of technical subcontract. The selection process, based on interviews, was carried out by a team that included the purchasing manager, project managers, site managers and foremen focussing on the following criteria: 1) internal matters (i.e., organisation structure, routines, market strategies, focus on technological development), 2) the supplier's co-operation partners, mainly other customers and suppliers, 3) competitors (firms the suppliers would recommend as co-operation partners), 4) ability and willingness to co-operate with *V-contractor* and 5) further plans in relation to *V-contractor*. *V-contractor* organised a number of meetings (seminars and discussions) in which people from the company would hold seminars and discussions with employees from the selected subcontractors. To create the supply network, *V-contractor* invited top management, project managers and foremen from the subcontractors along with top management, the purchasing manager, project managers, site managers and foremen from its own company to attend these meetings.

The designed supply network was to be first implemented in a number of construction projects to further develop relationships between *V-contractor* and the subcontractors, as well as establish and develop relationships amongst the subcontractors. *V-contractor* therefore identified a number of construction projects in which the designed supply network was initially implemented. In these projects, the subcontractors were divided into different constellations that were to work together as 'sub-networks' with electricians, plumbers and ventilation installers. In each pilot project, the following activities were executed: 1) a 'kick-off' meeting (setting aims and expectations), 2) a mid-term evaluation (filling out evaluation forms and discussing negative and positive experiences) and 3) a final evaluation (the same as the mid-term evaluation, but carried out after each of the pilot projects had ended).

Through this process of selecting a number of preferred subcontractors as partners, along with selecting specific projects to implement activities aimed at increased interaction and work practices, the way in which *V-contractor* related to its technical subcontractors changed dramatically. Out of *V-contractor*'s total purchases of technical services in the last year of the initiative, approximately 95% were from the designed supply network. After the chosen construction projects had been implemented, the evaluation report indicated that the supply

network initiative had been executed successfully. The evaluation report was also used to provide an explanation of the experience gained through the initiative, and thus enabled maintenance and further development of the supply network over time. However, continuing to use the designed supply network became difficult in the long run as *V-contractor* started to select subcontractors outside of the selected group more and more, while the subcontractors started to pay less attention to *V-contractor*. Hence, after some years, there was practically no trace of the initiative.

#### ***V-contractor Norway- Case 4***

For some time, *V-contractor* had been displeased with the way in which it collaborated with technical subcontractors, i.e., subcontractors for ventilation, electrical services and plumbing. Thus, *V-contractor* started an initiative to develop a small network of technical subcontractors who could ‘train as a team’ across a number of construction projects that would function as pilot arenas for collaborative efforts. The motivation for starting the initiative was to establish mechanisms that could facilitate joint learning, mutual adaptations and standardised work practices between *V-contractor* and its technical subcontractors, as well as between technical subcontractors.

Therefore, *V-contractor* started the process of identifying suitable candidates for the initiative by reviewing an overview of their present technical subcontractors. To select the partners for the initiative, *V-contractor* focussed on different criteria, such as: 1) financial situation, 2) goals and visions, 3) organisation, competence and capacity, 4) development carried out in the past five years and its result/outcome, 5) result of previous collaboration with *V-contractor*, 6) personal chemistry among individuals representing different firms related to *V-contractor*, 7) other preferred subcontractors (within the field of ventilation, electrical services and plumbing) to collaborate with, etc. After singling out five to six technical subcontractors, *V-contractor* visited the subcontractors to evaluate their ability to partake in the initiative. Based on these meetings, *V-contractor* chose three subcontractors for plumbing, ventilation, and electrical services.

After the subcontractors were selected, they established a steering committee for the supply network initiative, consisting of the top manager from *V-contractor* and the top managers from the three subcontractors. Furthermore, an external consultant was recruited to develop a new type of tool for managing the coordination between the various roles and professions (project managers, site managers, foremen, etc.). The tool was first implemented internally by *V-contractor*, and during the initiative, *V-contractor* hoped to pass the tool to the subcontractors to be used in future ‘mutual’ construction projects. Furthermore, the steering committee (supplemented by other relevant employees from the four firms) developed clear objectives that were to be achieved on each project. These were goals related to: (1) the number of accidents at the construction site, (2) health, safety and environment issues, (3) tidiness at the site, (4) absence rate, (5) the amount of unproductive hours at the site, (6) the number of quality defects, etc. Three (1-3) goals were related to Safety Health and Environment (SHE) with the hope of creating standardisations of SHE practices across several projects. The other three goals (4-6)

were related to increasing production efficiency and quality in the production stage. These goals were meant to be used in each joint construction project. In each project, the personnel from the three subcontractors would work closely with personnel from *V-contractor* with the aim of developing the substance of the supply network. Furthermore, the steering committee established two subgroups (with participants from the four firms), which discussed and established more concrete activities related development and production in building projects. The suggestions from the two groups were meant to be tested in the construction projects.

The initiative, including the selected supplier network with joint goals and steering committee, was only executed as planned in one construction project, a project in which the three subcontractors jointly supplied a bid. However, it was difficult to continue the ‘work as a team’ initiative on subsequent projects, as one subcontractor had problems implementing the initiative internally, since the employees were reluctant to engage in the new collaborative work processes with other subcontractors. Nonetheless, the two remaining subcontractors continued to work with *V-contractor* in a similar manner as they had before the initiative. One of the subcontractors pursued cooperation with the contractor because two of its employees were dedicated to *V-contractor*, while the other subcontractor continued working with *V-contractor* because the firm had an internal goal to engage in more collaborative work practices. Thus, the two subcontractors were used on subsequent projects occasionally, but over time, *V-contractor* paid less attention to the supply network initiative because the contractor had problems finding and winning suitable design, and built contacts from which the firm could select subcontractors. This led to less interest on the part of the subcontractors as well. As a consequence, it was difficult to achieve joint learning, mutual adaptation and standardisation in the way *V-contractor* had planned, and the initiative fizzled out.

### **Analysis**

This section discusses the results of each case based on two separate sections. First, we conduct a separate analysis of each case in relation to Mintzberg’s strategy concepts of emergent, deliberate and deliberately emergent strategies. Second, we produce a cross-case analysis of the four cases by discussing the actor layer, the resources layer and activity layer proposed in the ARA-model. In the following Table 2 we present an illustration of how each case relates to the strategy for relationship continuity and observed continuity.

*Insert Table 2 here.*

### **Analysing Case 1**

As there was an established relationship between the contractor and the client spanning more than 20 years across a number of projects, we can see that there is an emergent strategy of both the contractor and the client to engage in high-involvement cooperation, which also engages several other actors and employees. During the six projects described, the *emergent strategy*

evolves into more deliberate strategies, as both actors '*deliberately*' engage in more partnering (particularly the contractor), but in terms of 'project partnering' (collaboration in single projects) rather than 'strategic partnering' (collaboration across projects). There is therefore a general sentiment within both the contractor and the client organisations that emphasises that a more collaborative project mode should be applied when possible and necessary (often larger projects). Thus, both the contractor and the client emphasise the importance of relationship continuity with other actors to *facilitate project execution and new work practices*. As these projects were conducted, the deliberately emergent strategy evolved into a deliberate strategy for the client to engage in strategic partnering with three of its main contractors, including *N-contractor*. For the contractor, the strategy developed from emergent to deliberately emergent; for the client, it developed into even more of a deliberate strategy, as it involved planning with specific partners across several projects. By moving to more deliberate strategies, the parties can benefit from *formal routines and work processes across several projects*. The pattern of moving from an emergent to a deliberately emergent (to deliberate) strategy also *involves several other actors*. The group of organisations that continue to interact *depends on the relationship between the contractor and the client, and results in the contractor using the same firms* (installation companies, frame supplier and technical consultant) across a handful of different projects. Some of the actors state that they would not work with any other actors if given a choice, particularly related to the contractor, as it was perceived as *highly competent* (the coordination competence of the site manager was emphasised as critical). The pattern of interaction among this network of relationships among several actors thus appears to be dependent on the 'central' relationship between the contractor and client, and *the strategies of these two actors co-evolved through the development of this central relationship*. As a consequence, the strategies are not static, but develop over time as part of the relationship between the two main actors.

### ***Analysing Case 2***

As in Case 1, there is a 'central' and historical relationship between the contractor and the client that affected the interactions between a network of firms and individuals. The relationship is evolving, including some minor adjustments to how the two parties interact in the prior projects to include more *interactive including joint decision-making*, due to the initiation of a partnering contract in the clinic-project. The contractor sees this change as highly beneficial in terms of *improved product delivery* (cheapening of material and suppliers, efficient planning and procurement). This allows an emergent strategy for relationship continuity from the point of view of the contractor, which eventually develops into a more deliberately emergent strategy due to greater involvement in partnering contracts in specific contracts. Partnering is initiated by the client in the clinic-project due to its complexity and high level of risk, but also due to the relationship history. While *the internal vision and deliberate strategy of collaborating and engaging in partnering* is strong within the contractor's organisation, it is more carefully applied within the client organisation. However, the fact that the two parties once again apply this close and even more transparent type of relationship in a subsequent 'low-risk' project reflects positive experiences of this collaboration mode on both sides of the relationship.

Though applying partnering in the earlier project appeared to have been mostly project-related for the client, it evolved into to be mainly partner-related; i.e., although the project does not demand it, partnering becomes the preferred method of interacting with a certain 'reliable' partner.

This central relationship also involves collaboration with a number of other organisations, which reflects how the emergent strategy affects not only the central dyad, but other actors as well. Due to the uniqueness of the project, it is difficult to create standardisation across projects as in Case 1. Still, some *resources are being reused and developed* across projects. The contractor and the client also develop *the planning and production on site* (even though there were traditional contracts in the first two projects in the study, suggestions to change solutions etc.) and *use the same managers across projects, the same solutions, and the same installation companies* (even though the installation companies are decided by the client). This dynamic reflects an interactive relationship developing before the actual partnering contract; therefore, the partnering contract in itself is the start of a more formal and deliberate way of handling the relationship between the contractor and the client. Another positive effect is joint procurement, which reflects increased interaction between and transparency of the relationship between the two (the contractor gains more power and control in the relationship). This, and the fact that the contractor is dependent on an active counterpart that is also willing to invest in the relationship, shows that the client largely sets the conditions through the choice of a contract. However, an emergent and developed relationship between the two parties spanning more than 20 years is what steers the relationship to a larger degree.

### ***Analysing Case 3***

Compared to Case 1 and Case 2 above, Case 3 describes a concrete initiative comprising *several deliberate strategy elements*. First and foremost, prior to its implementation, the contractor's managers developed an elaborate plan for the initiative internally. Although the initiative was based on ideas discussed internally in the organisation, it was also inspired by theories of supplier relationship development. Various employees in different positions were involved in the process, though the initiative was initiated and executed in a top-down manner. The initiative rested on the understanding that the subcontractors would *subscribe to the relationship continuity strategy by involving top managers at the subcontracting firms, and thereby gaining their support to pursue the initiative dutifully in their respective organisations*.

The initiative specifically aimed to create relationship continuity across projects, not only in the relationships between the contractor and the selected subcontractors, but also *among the participating subcontractors*. The selection of partners was therefore critical, resulting in a new practice of subcontractor selection in which 'collaborative' characteristics were important measures along with *previous experiences of collaborating with the contractor and subcontractors*. Thereby, the initiative rested on the identification of an emergent pattern of relationship continuity by inquiring into the firms' and individuals' past experiences with different actors. However, the initiative also comprised elements of a deliberately emergent

strategy, as the selection process departed from collecting existing subcontractor relationship information in a database.

The realised strategy was in line with the intended strategy for a couple of years. The intended strategy was followed particularly stringently and consistently during the first years after its initiation, and showed remarkable results in terms of increased relationship continuity across projects when the initiative was evaluated. Over time, *the subcontractors and the contractor started to give priority to other actors, and the continuity faded*. Hence, when continual managerial attention *was discontinued within the respective firms*, little consistency of relationship continuity action could be detected, and after some years, the initiative vanished completely. The intended and deliberate strategy did not transform into a deliberately emergent strategy, nor did the employees pursue an emergent pattern akin to the one intended in the initial initiative. Hence, it went from intended and realised, to intended and not realised, and then disappeared. It was intended that the relationships develop over time in an emergent manner, thus giving the total initiative a sense of a deliberately emergent strategy.

#### ***Analysing Case 4***

Case 4 was also a planned and deliberate initiative comprising several deliberate strategy elements. As in Case 3, an elaborate plan for the initiative was made internally by managers for the contractor prior to its implementation. The initiative was based on ideas discussed internally in the organisation and *was mainly executed in a top-down manner*. Moreover, as in Case 3, the initiative specifically aimed to create relationship continuity across projects involving *relationships between the contractor and the selected subcontractors*, but also relationship continuity amongst the subcontractors. To implement the initiative, a method for selecting subcontractors was used in which previous experiences and relationships were important measures; this reflects an *emergent pattern of relationship continuity by inquiring into past experiences and relationships*.

The realised strategy was in line with the intended strategy only for the first project. However, it proved difficult to implement this initiative outside of the first project. Within one of the subcontractors' organisations, the top management could *not convince construction personnel to adhere to the new collaboration mode*. Even more troublesome, the contractor had difficulties finding suitable contracts for implementation of the initiative. There were, however, signs of relationship continuity, as the contractor used two of the three subcontractors for other projects. In summary, *the intended and deliberate strategy did not materialise into use for several projects*. Instead, the deliberate set-up was used for only one project. Thus, relationship continuity across several projects could not be achieved according to the planned initiative, and the initiative did not transform into a fully realised strategy. However, there were signs of relationship continuity, as *the two remaining subcontractors intended to pursue the initiative; one in a more emergent manner, and one in a more deliberate manner*. Both subcontractors had been used on projects prior to the initiative, and were used to some extent on subsequent projects by the contractor. Nevertheless, as the subcontractors started to give priority to other

projects and the contractor had problems winning contracts, the relationship continuity among the actors vanished.

In sum, some aspects of cooperation among the relationships were planned in advance, while some developed over time in an emergent manner, which therefore gave the total initiative a sense of a deliberately emergent strategy. However, as previously mentioned, the realised initiative was far from the intended initiative.

### **Cross-case analysis applying ARA - the drivers and constraints of relationship continuity**

Next, the results of the study are discussed in terms of drivers and constraints of relationship continuity in relation to the three substance layers of the intended or realised business relationships in the four cases: actors, resources and activities.

#### ***The actor layer***

In Cases 1 and 2, the central relationships and actor bonds between contractor and client reflect an openness and trust that was developed over a number of years working together. Due to the relationship history between contractor and client, along with continuous development of increased interaction, the two counterparts in both of the cases developed a mutual orientation and a compatible strategic direction in moving from an emergent to a more deliberately emergent or deliberate strategy of interacting on future projects. While in Case 1, this continuity seems to be driven in part by the predictability of the projects (almost identical housing projects), Case 2 reflects uncertainty and experimentation across the projects. The question remains whether the actors manage to interact in spite of or because of predictability or uncertainty. There appears to be two logics of repetition applied; in Case 1, reusing the relationship(s) appears beneficial, since the same solutions and work processes are/can be applied repeatedly. In Case 2, relying on trusted partners is beneficial because there is an uncertainty in the outcome of projects (mostly in the clinic-project). Relationship continuity therefore appears beneficial across both standardised and 'unique' types of projects.

In Cases 3 and 4, the relationship history and established actor bonds to 'trusted' partners play an important role in deciding with which companies to work. In the contractor's selection process of subcontractors, having good experiences working with subcontractors in earlier projects was a main selection criterion. In Case 3, in which the intended strategy was realised, a mutual orientation and commitment between the contractor and the subcontractors, as well as amongst the subcontractors, was developed. Based on earlier experiences from working together, there was a willingness to continue to work together, which was based on commitment, openness and trust. In Case 4, the intended strategy was not realised within the intended scope, as one of the three subcontractors encountered internal resistance from top management team. As a consequence, only two subcontractors maintained continuous relationships. There was a mutual orientation among the actors selected for the intended strategy, but it was not enough to keep the initiative going across future projects.

### ***The resource layer***

In both Cases 1 and 2, the established relationships between the contractor and the client allowed for the re-use of resources across several projects. Case 1 especially shows how a trusted site manager with a handpicked production team can be re-used across several overlapping projects to avoid idle resources and create efficiency in both planning and production phases. Also, by re-using the same production team, the collective knowledge among the individuals involved can be used repeatedly. Both Case 1 and Case 2 illustrate how contractor and client jointly managed resources efficiently and developed new resources across projects, such as a BIM manual in Case 2 and a frame in Case 1. By investing in the relationship(s) by adapting and identifying resources, the actors can reap the benefits of these investments in subsequent projects. These future benefits appear to be a major reason for the pursuit of relationship continuity; however, the strategy underlying the development of relationship continuity is of a more emergent character.

In Cases 3 and 4, there was also clear evidence of intending and/or realising the re-use of resources in terms of using routines and knowledge across projects. In Case 3, specific routines to coordinate and evaluate the collaboration were initiated and maintained across the pilot projects. The produced evaluation documents were especially important resources for expanding knowledge. A new routine for selecting subcontractors was implemented repeatedly across the pilot projects, allowing for the selection of preferred and ‘trusted’ partners involved in the initiative. In Case 4, the intended strategy was for the same group of people from the contractor and the subcontractor to work together on several overlapping projects. They also aimed to further link the actors through the adoption of a joint resource, a coordination tool, implemented by the *V-contractor*. However, this goal was not realised, as the counterparts did not prioritise its adoption.

### ***The activity layer***

In Cases 1 and 2, there were obvious advantages to relationship continuity that drove the network of actors in both cases to continue to interact. In Case 1, by overlapping planning and production activities of the semi-parallel projects, idle resources were avoided. By using the same production team, it was possible to create more efficient production activities (the new frame minimised production time). In Case 2, coordinating activities in efficient ways so the actors were able to handle uncertainty in the project helped foster relationship continuity. For instance, joint procurement and the development of certain meeting activities were necessary in being able to manage the complexity of the project. The central relationship between the contractor and the client affected how the network of actors developed their ways of managing activities across the projects, such as procurement, meeting and production activities.

In Cases 3 and 4, there was also the intention of promoting increased efficiency and improvements by focussing on specific activities and linking them across projects. The involved actors, whether the strategies were realised or not, obviously saw benefits of using relationship continuity as a way to improve activity coordination across projects, and thereby increased their efficiency in production and planning. For example, in Case 4, the participating actors of the

initiative planned to establish a set of activities related to development, production and SHE. At the same time, the relationship continuity was hindered in Case 4 when one subcontractor encountered internal resistance when trying to implement the new methods of interacting with other counterparts. In Case 3, joint meeting activities with the top management team and managers representing various actors were important in being able to link activities. The evaluation activities in Case 3 were also helpful in establishing relationship continuity during the initiative and the pilot projects.

#### ***Summarising comments concerning the four cases***

In sum, all four cases used different types of strategies, or contained elements of them over time, in the pursuit of relationship continuity. Overall, Cases 1 and 2 portray a more emergent type of strategy, while Cases 3 and 4 illustrate a more deliberate type of strategy. The question is: why do these firms try to achieve relationship continuity, and what appears to be driving and/or constraining this pursuit? In both Cases 1 and 2, a network of actors managed to interact across a number of projects. One important motivating factor appeared to be the relationship between the contractor and client, in which both actors were engaged in establishing continuity in several aspects. This high-involvement relationship affected the choice to initiate more collaborative modes of working with other actors, such as choosing partnering contracts and procure the same subcontractors across several projects. Hence, the central relationship and the actor bond between the contractor and the client developed over time, and helped to link activities and the establishment of resources ties across various actors and several projects.

On the other hand, Cases 3 and 4 illustrate how a single actor, *V-contractor*, can take the initiative in promoting relationship continuity across a network of subcontractors. In these cases, the main driver is the active contractor, and the contractor needs to push the subcontractors to engage in the planned initiative. However, for the planned relationship continuity to become realised, the contractor is dependent on the subcontractor network also prioritising and being actively engaged in the initiative. In Case 3, the initiative proved most successful when the contractor and subcontractors managed to develop a compatible strategic direction for a set of projects, while Case 4 displays only partially realised relationship continuity. Also, the deliberately planned strategy to increase interaction within the supplier network was implemented through a top-down manner, while the emerging strategy in Cases 1 and 2 was developed in a more bottom-up manner.

To summarise, one major difference between the four cases is that in two of them, there was a central emergent relationship that the rest of the network was dependent on, while in the other two, other there was a central actor that was intended to actively 'manage' the network, at least initially.

## Conclusions

While much of the construction literature argues that discontinuities over time are characteristic features of the industry that create adversarial relationships and fragmented supply chains, and therefore generates a 'productivity problem' and an 'innovation problem', our study aimed at understanding initiatives that move away from such a fragmented organisation. Based on the results and analysis of the four cases, we can conclude that the cases clearly reflect the existence of relationship continuity in the 'fragmented' construction sector. All four cases show how contractors and their counterparts actively sought, planned or not, relationship continuity where and when possible.

In the following concluding discussion, we will further discuss our findings of relationship continuity and answer the following research questions:

- *Why and how does relationship continuity come about in the construction industry?*
- *What influences the persistence of relationship continuity?*

There are several reasons for *why* the actors in these cases seek to engage in more long-term actor constellations and aim to establish relationship continuity. In general, it seems like the actors strive for in-depth relationships to establish efficient planning, production and standardisation, as well as increase use of innovative solutions and work processes. One way of achieving these goals is by re-using the same type of resources and activities over time. As a consequence, it is possible to achieve economy of scale due to repetition of the same activities using the same set of resources. For this method to work, the same resources must be used and have value in more than one project; thus, the value of resources is important when establishing relationship continuity. Another reason for striving for relationship continuity is the possibility of developing and using new resources or modifying existing resources. The process of developing resources is costly and takes time, and thus for an actor to be able to develop a resource, it is necessary to have a relatively stable demand for the resource in question. This can be accomplished through a long-term relationship with a customer/supplier spanning across several projects. This method will reduce risk and uncertainty, and stimulate the actors to invest in development of new resources. For instance, the different planning horizons both within a project between different counterparts and between projects for one counterpart creates a jigsaw puzzle of different activities that need to be coordinated across organisational borders. These activities could include projects that are parallel, partly overlapping and sequential.

Furthermore, *how* does relationship continuity take place? The above discussion points to the importance of being able to develop actor bonds between various actors, as well as linking activities and creating ties between resources that transcend several projects. However, in these methods, the actors rely on a variety of strategies, adapting planned and deliberate strategies to more emergent strategies. The actors rely on other actors being prepared and mature enough to prioritise central relationships to materialise the strategy. Top management and central managers seem to be critical in convincing others of the benefits of relationship continuity. However, promoting long-term initiatives within the various organisations seems challenging. The findings also show that planned and/or intended strategies do not always work out as planned, which reflects the dynamic character of strategies over time that are intimately

connected to the development and establishment of relationships between actors and the process of linking and tying resources together. A similar reasoning can be found in Ford (2008) and Håkansson and Ford (2002: 136), who conclude that, '*A company's relationships are the outcomes of its strategy and its actions. But the paradox is that the company is itself the outcome of those relationships and of what has happened in them. Thus a network is both a way to influence and to be influenced. Both situations exist simultaneously and both premises are equally valid*'. Therefore, our findings indicate that relationship continuity can be achieved through balancing strategy and action, i.e., the activation and materialisation of resources and activities. Moreover, in all four cases, the strategies for relationship continuity evolve and co-evolve over time in interaction with relevant counterparts such as suppliers, sub-contractors or customers. Furthermore, we can see that strategies for relationship continuity—whether emergent, deliberate or deliberately emergent—seem to arise in relation to specific counterparts in which there is a relationship history. This means that the intention to develop cooperation between counterparts is directed by earlier interaction, which is in line with Crespín-Mazet et al. (2015), who suggest that in-depth interaction happens between already familiar actors in the construction industry. Therefore, we conclude that future continuity is based on historical continuity between 'known' counterparts regardless of whether it is planned or emerged.

How can relationship continuity persist? Our findings indicate that if the initiative of the establishment of relationship continuity departs from a central relationship between two powerful actors with an established actor bond, the likelihood of succeeding with establishing long-term relationship and in-depth cooperation increases. By having a central relationship, at least two actors are actively pushing for engagement in cooperation across projects. Actors with a powerful position in the network have a greater possibility to influence and 'mobilise' other actors. Using the same project organisation across projects (including using the same main managers and supervisors) supports relationship continuity even further. From the two Swedish cases, it seems as though one main constraint lies in the contractor lacking control to set the project mode (setting the contract) compared to the client. The Norwegian cases, however, displayed a problem in creating continuity due to lack of suitable contracts in which the contractor could choose their own suppliers.

We believe these findings illustrate an interesting and timely tendency in the construction industry to seek continuity, which may have a number of consequences for the organisation, its productivity, its rate of innovation and a number of other aspects. However, we are aware that our study has limitations, as it only investigates four cases representing two contractors in Sweden and Norway. It is therefore important for other studies to focus on contractors, customers and subcontractors to see if they display the same strategy patterns. For instance, by investigating an initiative between a contractor and client in Norway, would we see a similar pattern as in the Swedish cases? Would a study of a contractor and its subcontractor network in Sweden reflect a similar pattern as in Norway? Therefore, we suggest that the results of this study should be supported by further studies of how contractors interact with others to achieve long-term relationship goals.

Our findings can also be summarised for a number of managerial implications. First, we will encourage managers to engage in initiatives that depart from relationships with already 'known'

and 'powerful' counterparts. Relationship continuity is therefore dependent on the mobilisation of other actors to support long-term relationships and relationship continuity in construction. In expanding their relationship opportunities, top management plays a critical role in convincing actors within different organisations about the benefits of increased cooperation and relationship investments. Our findings can also help managers in their strategy formulation. The study shows that materialising strategies is challenging, and therefore, the strategy formulation needs to depart from the companies' specific contexts. However, the company needs to be aware of the dynamic nature of the strategy, and be open to adjusting the strategy over time.

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Table 1: How the strategy for relationship continuity relates to observed continuity.

		Strategy for relationship continuity		
		Deliberate	Deliberately emergent	Emergent
<b>Observed relationship continuity</b>	<b>Much continuity</b>	1. Realised	4. Much exploration of the guidelines and rules, mainly positive experiences, much relevance, in most circumstances	7. Strong pattern across many groups
	<b>Some continuity</b>	2. Partially or temporarily realised	5. Some exploration of the guidelines and rules, positive as well as negative experiences, some relevance, in some circumstances	8. Pattern in some subgroups and settings
	<b>Little continuity</b>	3. Unrealised	6. Little exploration of the guidelines and rules, and/or negative experiences, little relevance, or changed circumstances	9. Patterns related to a few individuals

Table 2. How the four cases relates to strategy for relationship continuity and observed continuity. The arrow illustrates the dynamics of strategy over time.

<b>Observed relationship continuity</b>			<b>Strategy for relationship continuity</b>
	Case 1	<i>Much continuity</i>	Elements of all three strategies: deliberate, deliberate emergent and emergent strategies. The strategy developed from an emergent strategy to more deliberate emerging and deliberate strategies with the introduction of strategic partnering.
	Case 2	<i>Much continuity</i>	Elements of two strategies: deliberate emergent and emergent strategies. The strategy developed from emergent to deliberate emergent strategies.
	Case 3	<i>Some continuity</i>	Elements of two strategies: deliberate emergent strategies but also some emergent strategy elements. As the strategy initiative originated from emergent and established relationship we see some emergent strategies but mainly deliberate emergent strategies in the case.
	Case 4	<i>Little and some continuity</i>	Elements of two strategies: deliberate emergent and emergent strategies. The initiative was deliberate emergent but was developed to include both features of emergent and deliberate emergent strategies over time.