

Emotional Intelligence in Construction Contract Administration

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Abstract

Emotional intelligence is the thread that ties the disparate functions of construction and the management of the construction team together. The construction contract administrator (CCA) has a different function than the construction manager. The construction manager is directly in control of the project schedule, costs, and quality of work. The CCA is responsible for the interpretation of the contract documents and providing information to the construction manager and the owner. Each team member--the owner, the construction manager, and the CCA—has his or her own knowledge, skills, and abilities (KSAs). During the construction of the project, their KSAs are vital to the timely and accurate completion of the project. Emotional intelligence must be integrated for effective and impartial administration of the construction contract. This paper discusses the relationship between emotional intelligence and the key project roles, specifically the CCA and the construction manager.

Keywords

Emotional intelligence, Construction management, Construction administration, Leadership

1. Introduction

Emotional Intelligence and construction have been studied from the construction managers' perspective. Construction management has been related to ancient eastern philosophers. Leadership has also been studied on how it relates to the construction industry.

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2. Emotional Intelligence

A great deal of literature has been published investigating emotional intelligence and its application in the work environment. Prati, Douglas, Ferris, Ammeter and Buckler (2003) define emotional intelligence as "the ability to read and understand others in social contexts, to detect the nuances of emotional reactions, and to utilize such knowledge to influence others through emotional regulation and control" (p. 1).

Salovey and Mayer (1990) define it "as the subset of social intelligence that involves the ability to monitor one's own and other's feeling and emotions, to discriminate among them and to use this information to guide one's thinking and actions" (p. 189). Mayer and Caruso (2002) define it "as the capacity to understand and explain emotions on the one hand, and of emotions to enhance thought, on the other hand" (p. 2). Daniel Goleman promoted the concept in 1998 and in subsequent books on the subject. Other research has also investigated its application to various industries. Further, scholars have investigated the relationship between intelligence quotient and emotional intelligence. Many articles have been targeted toward the construction industry with a focus on the construction manager or contractor. Mayer and Caruso (2002) believe "being able to understand this information [emotional intelligence], and its impact on personnel and the organization, is what makes an individual, at least in part, emotionally intelligent" (p. 1). Further Mayer, Salovey, Caruso and Sitarenios (2001) contend there are four parts of emotional intelligence: perception, comprehension, management, and use of emotions. Emotional intelligence is demonstrated by perceiving the emotions of others during the personal interactions of conducting business. In addition to the mere perception of an emotional state in another person, there must be a comprehension of the exact emotional state the other person is in and its impact on others. After one understands another's emotional state, how is this knowledge managed and used to the one's advantage?

3. Construction Management Defined

The construction manager's duties often vary by project. Brewer (2005) defined construction management as a project delivery method "whereby the manager manages the construction of the project without accepting the overall risks of time and cost" (p 30). In contrast, The Construction Specifications Institute defines construction management as "the process of professional management applied to a construction project from conception to completion for controlling project time, cost and extend" (p. 3.23). As can be seen with these two definitions, the construction manager's role may be different on each project. There are also several levels of risk associated with delivery of construction management services.

The variance in roles illustrates the breadth of experience and skill the construction manager must possess. Ultimately, the construction manager can be an advisor or a contractor. The management skills required are different, of course, for each function. "These professional skills include time management, resource management, and budgeting. Another important area is risk management, which is very complex and in larger construction projects a very demanding task. In major projects the construction manager could employ a professional risk manager to oversee this complex and detailed task" (Gharehbaghi & McManus, 2003, p. 54). These skills are needed to manage the processes of construction, including changing order preparation, subcontract negotiations, or requesting additional manpower to maintain the schedule.

4. Decision-Making

The CCA must follow a clear and transparent decision-making process. The ability to fairly interpret the contract documents and disputes as they arise is critical to maintaining the project schedule. Kessler and Forrest (1995) define five types of decisions making: 1) command, 2) consultative, 3) majority, 4) consensus, and 5) unanimous. Each of these decision-making techniques has a different effect on team dynamics, so the CCA must know when to use each type. As the team leader, it is inherently the CCA's responsibility to also completely understand the impact of not only decisions, but also how those decisions are made.

In one of the most structured environments for decisions making, NATO (2004) ensures "ample opportunity is provided" (p. CRS-2) in the process for each team member to be a part of a consensus. A consensus is not always required for a construction project but it "is clearly differentiated from unanimity" (p. CRS-2). Reaching a consensus requires more time than other decision-making methods. When time permits, providing the opportunity for each team member to voice their opinion increases their commitment to and subsequent support of that decision (Kessler & Forrest, 1995). Accordingly, "emotional intelligence aids in the effective consensus of team decision-making" (Prati, Ferris, Ammeter, Buckley and Roland, 2003, p. 32).

An additional tool in decision-making is the skill of listening. Listening is sometimes called the forgotten skill (Burley-Allen, 1995) and proves invaluable to the CCA. It provides the decision maker with the ability to accurately gather information required for arriving at the correct decision. Listening also helps to build a team identity by promoting inclusion. Prati et al (2003), report that constructing a team identity increases team effectiveness.

5. Construction Administration Defined

Construction contract administration, as defined by the American institute of Architects in "A201 General Conditions of the Contract for Construction," is review of the work, review of the application for payment, interpretation of the contract documents, and review of submittals. The CCA must also respond to requests for information, review proposed change orders, and act as a conduit between the owner and the contractor. The CCA must fairly and equitably interpret the contract documents in accordance with the design intent. The Construction Specifications Institute (2005) defines construction contract administration as "a combination of contractual procedures and the implementation of a team approach for the participants in the project" (p. 7.180). The specific definition of services will depend on the project delivery method and the needs of the owner. However the abilities of the CCA are the same for all project delivery methods. The CCA must be team oriented, have excellent communication skills, be experienced in the construction methods required for the project, and also be objective, fair minded and quick to respond (CSI PRM, 2005).

The CCA is usually a member of the design team. Being a member of the design team, the CCA does not have the contractual authority to direct the work. Therefore, the CCA must be adept at working in a team environment and negotiating consensus for the benefit of the project. Asking questions and listening to gather information from the various construction parties is a much-needed skill for decision-making. However, the CCA must be prepared to make command decisions when necessary.

6. Eastern Philosophy

The CCA is the leader of the tri-party construction team that includes the owner, the designer, and the contractor. Pheng (1995) listed many qualities a leader must possess based on the ancient philosopher Lao Tzu's *Tao Te Ching*, written approximately 2500 years ago. Some of the principals of leadership do not change. Pheng (2003) reports a leader must not "intervene unnecessarily" (p.297), "know how polarities work" (p. 297), possess a "moderate ego" (p. 297), "be selfless" (p. 297), provide guidance, demonstrate calm emotions, and understand how processes unfold. Pheng and Chuvessiriporn (1997) conducted a study comparing ancient Thai battlefield strategies to construction project management leaders. They concluded that "leadership qualities of a project manager are critical for the success of a project manager

and are dependent on his strategic influence on people to commit themselves to achieve the project's aims, which he sets" (p. 139).

The principles in Sun Tzu's *The Art of War* have been studied for their relevance to everything from sales to the construction industry. Ling and Lee (2012) state in their examination of *The Art of War* and its applicability to the construction industry Sun Tzu's variation in tactics, "it is proposed that professionals (CCA's) be flexible to seize advantages at the workplace" (p.188). In order to seize the workplace advantage, the professional must possess and apply their emotional intelligence to leading the team.

7. Team Emotional Intelligence

The team leader must also recognize the concept of team emotional intelligence. As a result of the need to manage the emotions of the team, the leader is challenged to, as Mayer and Caruso (2002) contend, "think about emotions accurately" and clearly in order to anticipate, cope with, and effectively manage change. The more team identity the leader has constructed, the more the leader's emotional state is transferred to the team" (p 5).

Also "in order for the organization to gain and maintain a competitive advantage, it's increasingly valuable employees must be able to adapt well to changing environments both external and internal" (Prati et al, 2003, p. 21). These internal environmental changes can be the result of interpersonal interactions among team members. Therefore, the team leader must also act as facilitator. Gardenswartz, Cherbosque and Rowe (2009) purport "teams as well as individuals need to develop emotional intelligence skills that help enhance teamwork, improve group dynamics, and ultimately, increase performance" (p. 44). However the expression of emotional intelligence in the construction industry may create leadership problems (Lindebaum and Cassell, 2000). As reported by Sunindijo, Hadikusumo and Ogunlana (2007) "a PME (project manager and engineers) with high EI can stimulate team performance and innovation" (p.170). Therefore the management of the emotional intelligence must be skillfully balanced in the negotiating of construction management issues.

8. Construction Administration with Emotional Intelligence

The construction administration process is a balance between the written contract, design intent, and the actual construction. The construction process is often conducted amidst conflict between the parties. A great many of these conflicts are influenced by aggressive management styles, fierce competition, tight profit margins and adversarial relationships encapsulated within a male-dominated culture (Lindebaum and Cassell, 2000). A CCA that is aware of and is in control of his emotions will have the ability to accurately predict other reactions to events that occur during the construction process. With the great similarity between construction manager and the CCA, each *must have many different skills, qualities, and abilities to be able to respond to most of the demanding situations within the construction projects* (Gharenbaghi and McManus, 2003, p. 54).

9. Conclusions

The role of a leader has not changed significantly for thousands of years. The skills described in Sun Tzu's *Art of War* and Lao Tzu's *Tao Te Ching* remain relevant in characterizing a leader. The leaders of the construction process are the owner, the construction manager, and the CCA. The role of the CCA is

similar to the construction manager but differs in some aspects. However the necessary KSAs, which include emotional intelligence, are similar. In order to seize the workplace advantage, CCA's must possess and apply their EI in leading their teams effectively.

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