

Review

Partnering for small medium contractors in Malaysia

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Notably, the idea of partnering has attracted a lot of attention in construction practices and is proposed as one of the best solutions to address the availability of limited projects in the construction industry. The objectives of this paper are to ascertain the practice of partnering and identify the problems faced and effects of partnering among Class “F” contractors in the Malaysian construction industry. Questionnaires were sent to 250 Class “F” contractors, from which 40 valid questionnaires were generated and analysed. It was found that partnering among Class “F” contractors had beneficial effects such as knowledge sharing, technical know-how sharing, profit and losses sharing, efficient management, higher decision making skills and exchange of ideas from different thinking processes. Some of the strategies proposed for enhancing partnering include providing more courses and seminars among Class “F” contractors, giving clear explanations of the partnering concept to Class “F” contractors who are highly committed to its implementation, applying partnering in certain areas of specialization according to the situation of works undertaken, undertaking more comprehensive research in the area of implementation and forming a distribution centre for project distribution. The findings of this research add valuable information to any organization in Malaysia and worldwide, whether public or private, in their quest to successfully procure partnering projects.

Key words: Partnering, small medium, contractor, construction industry, Malaysia.

INTRODUCTION

Since the publication of the Latham (1994) report, “Constructing the Team”, partnering has been increasingly used as a procurement method. Partnering enables the industry to understand more clearly its clients’ needs and objectives including improved efficiency and cost-effectiveness, increased innovation opportunities and the continuous improvement of quality products and services.

Of late, Malaysia has been faced with increasing growth in the number of contractors (CIDB, 2011). If the population of the country (26 million) is divided by the number of contractors (42,313), the ratio obtained is 1 contractor for every 614 persons. The ratio, said to be one of the highest in the world, is one possible world record not to be proud of since the existence of too many contractors is causing the government a headache. Most of the country’s contractors, (31,569, 70%), belong to the

smallest-scaled Class “F” category. The government recently announced the freezing of further issuance of new Class “F” licenses. The objective is to have a smaller number of contractors getting a bigger share of the limited amount of contracting works. The rush for Class F licenses resulted in some people becoming contractors just “for the fun of it”. The quality of their work declined. The issue in this research concerns the existence of too many small contractors bidding for limited projects.

Thus, the implementation of partnering among small contractors in Malaysia is hoped to overcome the problems currently faced by these small contractors. In order to increase skilled contractors and reduce competition between small contractors, the construction industry has to be re-structured and companies involved in the same sectors should be merged. The contractors should act as partners to secure larger businesses (Onojaefe and Ukpere, 2009) and the partnering concept can be practiced among the small contractors to give positive impacts to the construction industry.

Making profit and seeking customers’ satisfaction are

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the major concerns for Malaysian contractors (Wang and Abdul-Rahman, 2010). However, a rising number of small contractors are facing delays in payments, shrinking contracts as well as difficulty in getting loans due to tougher operating environments in the construction industry. Additionally, some face insufficient financing, lack of experience in material price escalation, lack of sufficiently skilled work force, lack of performance and time management, lack of productivity etc. Since there are huge numbers of small contractors in Malaysia, it should be questioned, why they do not practice partnering or merge amongst them? It is believed that by partnering, they can produce more benefits compared to just running small contractor firms solely on their own. In a partnering relationship, the role of a contractor is different from that in a traditional project. There would be much competition among the small contractors themselves. It is believed that some of the small contractors come from the same family, for example, a father, brother and sister, are all registered as Class F contractors. The question is, why not just merge to form a family consortium which is much better compared to forming separate construction firms?

Notably, most small contractors now face insufficient financing, lack of experience in selecting materials according to the specifications, lack of skilled labours, productivity, time-management and so on. These problems form barriers to the successful completion of any construction projects. Confronted with these issues, small contractors are in a great need to practice the concept of partnering to enable them to determine their goals, to educate all parties of each others' goals and to mould them into common goals and mission. It is the moulding of these sometimes common, divergent goals into one cohesive team and purpose which leads to a successful project. Hence, the overall objectives of the research are to ascertain the practice of partnering; and identify the problems and effects of partnering among the Class F contractors in the construction industry. This research differs from prior studies which mainly focused on large companies in driving changes and utilizing the partnering concept (Bayliss et al., 2004; Anderson and Polkinghorn, 2008; Chan et al., 2008; Bygballe et al., 2010) and its success factors (Black et al., 2000; Chan et al., 2004, 2008; Chen and Chen, 2007; Jacobson and Choi, 2008). Results derived from this Malaysian study address the gap in the area of small and medium contractor partnerships. The accomplishment of this research will contribute directly to the literature in this area.

AN OVERVIEW OF PARTNERING

Crowley and Karim (1995) defined partnering as "an organization implementing a co-operative strategy by modifying and supplementing the traditional boundaries separating companies in a competitive climate".

According to Bennett and Jayes (1995), partnering is a set of strategic actions that deliver marked improvements in construction performance. It is driven by a clear understanding of mutual objectives and co-operative decision-making by multiple firms all focused on using feedback to continuously improve their joint performance.

In a partnering arrangement, the fundamental components are formalized mutual objectives, agreed problem resolution methods and an active search for continuous measurable improvements. These fundamental components are lacking in other arrangements and therefore they may not be able to support a partnering relationship. The ultimate goal of partnering should be to achieve a "win-win" situation for all parties. Once all goals of the respective parties are made known (yes, a scary and foreign thought too many), and buy-in is achieved to the concept and goals, then real progress is made by creating partners to achieve the goals.

Matthews et al. (2000) posit that essentially, the partnering relationship is based on trust, dedication to common goals and an understanding of each other's individual expectations and values. Without trust, teams lack the basis for open, mutual learning, communication and real integration. Trust allows teams to focus on interests rather than on personalities or positions. It promotes openness and encourages people to put their cards on the table. Commitment and trying to understand each other's point of view and work together for success signifies trust between two parties. It relates to reliability and integrity of the partners (Botha and Waldt, 2010).

According to Tennyson (2003), workshops are organized to establish a platform for exchanging information in a construction network. The gathering of information in the partnering workshops includes skills, comments, ideas, data, facts and knowledge. The backbone of the workshops is to address key issues highlighted by Bennett and Jayes (1998), as well as work done within the Centre of Construction Innovation on trust as part of an EPSRC project (Swan and Khalfan, 2007). The key goals of such workshops are to define:

- i. Awareness raising, where appropriate;
- ii. Mutual objectives;
- iii. Performance measurement frameworks;
- iv. Roles and responsibilities;
- v. Tools and processes.
- vi. Greater certainty of the outcome in cost and time;
- vii. Reduced wastage;
- viii. Improving communications;
- ix. Improving safety;
- x. Reduced costs associated with disputes; and
- xi. Potential for continuous improvement.

For Matthews' (1996), the benefits of partnering can be achieved in the following areas; contractual situation, communication and information flow, level of understanding, efficiency of resources, financial position and

quality.

In sum, partnering aims at empowering problem solving at the lowest possible level and earliest possible time and over the shortest possible period. If the team members can come to agreement, they do not need help from upper management. But, if the problem is not resolved in a timely manner on one level of management, the issue then escalates according to a pre-arranged formula. Thus, leadership involvement in the partnering process is critical. The leaders must not only agree to partnering but drive it and to drive it as early as possible (Stevens, 2004). Barlow et al. (1997) describes partnering "as a set of processes to aid inter organizational collaboration and improve performance". He adds that this form of collaboration is consciously enforced in order to build a high degree of mutual trust. Essentially, respect evolves from trust. Without trust, we get incipient paranoia, the stuff of adversarial conflict.

The Malaysian construction industry

The construction industry plays an important role in a country's economic development. Besides establishing the infrastructure required for socioeconomic development, it is a major contributor to overall economic growth (Abdullah, 2004). The Malaysian Construction Industry Master Plan emphasizes the role played by the construction industry and the private sector in generating wealth and improving the quality of life for Malaysians through the translation of the Government's socio economic policies into social and economic infrastructures and buildings. The industry also provides job opportunities to approximately 800,000 people. Further, the construction industry creates a multiplier effect to other industries, including manufacturing, financial and professional services. As Malaysia moves from developing country status towards a developed and industrialized nation as envisaged in Vision 2020, its construction industry will need to respond to the changes in construction demand. Any attempt to formulate strategies for fulfilling future demand would require a reliable understanding of the past and present scenario of the industry (Abdullah, 2004). Fundamentally, the performance and prospects of the economy have implications for the industry and construction industry development should be considered in the context of a country's economic development.

Class F contractors carry out several types of construction works with the cost limit of works up to RM 200, 0000.00. The value capital for Class F contractors is RM 10,000.00 (USD 3000). According to Shahimi (2006), there are fewer professionals involved in Class which normally comprise persons with primary or secondary academic qualifications. Recent times, however, has witnessed the arrival of degree holders who are knowledgeable in the construction industry. Class F

organizations normally consists of only few workers and sometimes is only participated by the owner of the company itself. Majority of Class F contractors operate their company in their own premises due to their small capital. However, some who are established contractors, own their offices. Ownership of construction offices will ease the contractor's job in operating the organization and implementing work without interruptions. In 2006, the government allocated a budget of RM 2 billion for Class E and F contractors to implement maintenance and basic infrastructure projects.

Nowadays, there are many issues reported in the mass media involving small Class F contractors in Malaysia. How many contractors are too many? If the population of the country (26 million) is divided by the number of contractors (42,313), you will get a ratio of 1 contractor for every 614 person. According to Kamil (2007), some contractors were more interested in making a quick buck by selling their contracts and licenses than in fulfilling the contracts. He added that the industry is seen as so lucrative that everyone wants to become a contractor, including those without the expertise or adequate capital.

According to Shahimi (2006), it was found that there are too many number of Class F contractors who sometimes only advertise their names as holders for the company. But, the license is not used by them to get any kind of projects. Several Class F contractors' license holders sublet their license to other companies and take a percentage of the profit. Such attitudes make them ill-suited to be contractors as they do not invest any efforts to expand their business. There are only a few good contractors out of the thousands of contractors in the country. Unfortunately, records have shown that all the extra money and assistance given out by the government has not produced that many good (Class F) Bumiputera contractors

DESIGN AND ADMINISTRATION OF THE QUESTIONNAIRE SURVEY

The questionnaire comprises 4 sections; 1) demographic background of the Class F contractor including name, company's name, address, registration no, experience in construction industry and highest academic qualification; 2) scope of works and the procurement system; 3) types of client involved in common tendering procedure and 4) the satisfaction generated from the tendering process. The survey questionnaires were distributed to 250 Class F contractors in the state of Selangor, Malaysia. The author chose Selangor as the scope of study, mainly because statistically, Selangor has the highest numbers of Class F contractors in Malaysia. Moreover, the state has many active contractors, which may provide greater accuracy to this study. 40 copies were duly answered and returned. Though the sample size is relatively small and unable to represent the whole population, it could be analysed based on the non-parametric approach.

Therefore, means and percentage of frequency are applied to investigate the trends and scenario of the contractors. Twenty (20) out of the forty (40) Class F contractors questioned, have been involved in the construction industry for 6 to 10 years, representing 50%. This is followed by those with 11 to 15 years of experience. There are only 3 contractors who have experience of 1 to 5 years or more than 21 years in the construction industry. It is believed that the more experienced Class F contractors were involved in more projects in the construction industry.

Table 1 shows that all Class F contractors are involved in repair and maintenance works, followed by building works involving 95% of Class F contractors and another 35% involved in electrical works. The lowest percentage is 20%, involving eight (8) Class F contractors conducting other works such as mechanical, telecommunication and landscaping works, solid waste, etc.

Table 2 illustrates the number of jobs awarded, with 40% of Class F contractors awarded jobs 6 to 10 times within a span of 5 years. This is followed 33% or thirteen (13) Class F contractors whom were awarded jobs 3 to 5 times within 5 years. The lowest percentage of 7% represents contractors who only managed to obtain only 1 to 2 jobs within 5 years. This is because they are inactive contractors and newcomers lacking construction knowledge. It was found that only twenty (20) contractors were awarded jobs more than ten times within 5 years. These contractors are said to be successful and active, with the possibility of being awarded jobs at 2:1 per year. Most of the jobs offered are from Government or public sectors.

Table 3 shows that out of the forty (40) respondents, only one (1) of them verified that completing construction works took about six to eight months (6 to 8 months). 28% of the respondents agreed with others and specified that the period taken by a Class F contractor to complete such jobs was depended on the contract validity, as mentioned in the tender and value of works undertaken and that these works were being completed on-time.

From Table 4, it can be concluded that finance is the most common problem faced by Class F contractors nowadays. Thirty (30) respondents claimed that finance is their main problem during the project stage, followed by late payments made by the client which account for 70% of the respondents. Fifteen (15) respondents stated they did not have enough equipments, labour and trades during the project stage while 35% are not well-experienced and are thus, unfamiliar with the jobs given. Only one (1) contractor cited other reasons, being, not having any technical background which may affect productivity.

All respondents claimed that currently, there is too much competition in obtaining projects. Besides, some projects are monopolized by certain companies as illustrated in serial tendering. If the contractors displayed good performance, their contracts will be extended. Some of them felt that there was no integrity in the public

Table 1. Scope of works.

No.	Which type/scope of works do you involve in projects?		
	Answer	Frequency	Percent
1	Repair/Maintenance works	40/40	100
2	Building works	38/40	95
3	Electrical works	14/40	35
4	Infrastructure works	31/40	78
5	Trade works	29/40	73
6	Other works	8/40	20

Table 2. Possibility of contractors' being awarded for any projects.

No.	How often are you awarded any jobs/projects within 5 years?		
	Answer	Frequency	Percent
1	1-2 times	3	7
2	3-5 times	13	33
3	6-10 times	16	40
4	Above 10 times	8	20
	Total	40	100

sector, especially, during the division of projects and that it was often interrupted by politics. Class F contractors nowadays also faced less logistics problems such as plant and machineries, materials, etc. In addition, some of their workers were not well-experienced and skilled. Lastly, some of the respondents claimed that although there were lots of projects on offer in Selangor, no tenders were issued by the local authority especially for the tender of projects obtained by the voting process. Only a limited number of Class F contractors who were registered with the Local Authority could get involved in the voting process. As is illustrated in Table 5, twenty-six (26) Class F contractors, which represent 65% of total respondents, have never participated in any partnering projects while the remaining fourteen (14) have done so.

54% of the respondents stated that they have considered partnering and are ready to merge with another Class F contractor but the remaining twelve (12) respondents which represent 46%, stated otherwise, as shown in Table 6.

While most of the respondents said that the main contractor determined the concept of partnering, five (5) out of fourteen (14) respondents stated it was the design team's call. Only 21% of respondents claimed that the concept was determined by the client and others such as friends in the same background (Class F contractors) as shown in Table 7.

50% of the respondents claimed that they have achieved more than 66% objectives while the other 36% claimed that they have achieved between 25 and 66%

Table 3. Problems faced during project stage.

No.	What problems do you face during the early project stage by the Class "F" contractors?		
	Answer	Frequency	Percent
1	Financial problems	30/40	75
2	Late payments	28/40	70
3	Not enough equipments	15/40	38
4	Not enough labours and traders	15/40	38
5	Not well experienced and unfamiliar with jobs given	15/40	38
6	Others	1/40	3

Table 4. Participation in partnering projects.

No.	Have you participated in any partnering project?		
	Answer	Frequency	Percent
1	Yes	14	35
2	No	26	65
	Total	40	100

Table 5. Consideration of using partnering concept to merge with another Class F contractors.

No.	Have you considered doing so by using this concept to merge with another Class "F" contractors?		
	Answer	Frequency	Percent
1	Yes	14	54
2	No	12	46
	Total	26	100

Table 6. The instigator of the partnering concept.

No.	Question: Who instigated the concept?		
	Answer	Frequency	Percent
1	Main contractor	9/14	64
2	Design team	5/14	36
3	Others	3/14	22
4	Client	3/14	21

objectives. 14% of respondents claimed that they have completely achieved the objectives of partnering as shown in Table 8. None of the respondents claimed that they did not achieve any objectives.

The question shown in Table 9 was designed to identify the successful implementation of partnering among Class F contractors in Malaysia according to Class F contractors' general knowledge and experiences. Only twenty-six (26) respondents answered the question. This question applies the Likert-Scale of 1 to 5, with 5 representing strongly agree, 4 for agree, 3 for undecided,

Table 7. The achievement of the objectives.

No.	Were the objectives achieved?		
	Answer	Frequency	Percent
1	Completely	2	14
2	Between 25 and 66%	5	36
3	More than 66%	7	50
4	None	0	0
	Total	14	100

Table 8. Successful implementation of partnering among Class F contractors.

Rank	Issues	Percent
1	Clear understanding of partnering concept	58
2	Joint agreement/ contract	54
3	Good communication/ information	54
4	Good manager and management skills	50
5	Experience of partner company	46
6	Effective collaboration and cooperation	42
7	No hidden agendas	42
8	Policy/political	42
9	Ability to share decision making process	42
10	Willing to share power	39
11	Mutual understanding/ trust	38
12	Organization structure/ management	38
13	Willing to share profit	38
14	Trust need of partners	38
15	Others	0

2 for disagree and 1 for strongly disagree. Most respondents, representing 58%, strongly agreed with clear understanding of the partnering concept followed by the successful joint agreement or contract which represents 54%. Meanwhile, the experience of the partner company was ranked in the 3rd place, with 46% respondents showing strong agreement. Mutual understanding/

Table 9. Problems encountered management problems.

Rank	Management issues	Percent
1	Inefficiency of working committee	55
2	Inadequate project organization structure	54
3	Poor project relationships and disputes with partner	48
4	Partner's lack of management competence and resource fullness	47
5	Disagreement exists on allocation of staff positions in Partnering	45
6	Disagreement exists on allocation of works	44
7	Lack of knowledge in Partnering concept	43
8	Improper project planning and budgeting	40
9	Employees from each partner distrust each other	38
Financial issues		
1	Bankruptcy of partners/ financial problems	60
2	Disagreement on accounting of shares of profits and losses	60
Technical issues		
1	Incompetence of partner's workers	60
2	Lack of technical communication between partners	55
3	Poor quality /workmanship produced by partner	53
4	Problems due to partner from different practice	42
Legal issues		
1	Breach of contract by partners	65
2	Disagree with some conditions of contract	48
3	Lack of enforcement by legal judgment	45
4	Incomplete contract terms with partners (loophole in agreement)	45

trust represents 38% of respondents while 31% of them voted for agree and undecided. For success in policy/political, 42% of respondents strongly agreed, followed by 19% of respondents who voted for agree and strongly disagree. 12% of respondents were undecided while out of twenty-six (26) respondents questioned, only two (2) disagreed.

This question was designed to identify problems that usually occur in the implementation of partnering among Class F contractors. There are four (4) problem factors involved being, management problems, financial problems, technical problems and legal problems. The problems are arranged in ranking according to a scale. The scale is 1 to 5: with 1 representing the very lowest priority; 2 for low priority; 3 for average; 4 for high priority and 5 for the very highest priority.

Based on the overall results, it was found that, the inefficiency of working committee was ranked 1st for the management problems with 55% highest priority followed by the inadequate project organization structure. The element of poor project relationships and disputes with partner was ranked in 3rd place with 48%. It is then followed by the element of partner's lack of management competence and resourcefulness where 47% respondents voted for an average. 47% respondents voted

partner's lack of management competence and resourcefulness as number four and forty-four (44%) respondents confirmed that disagreement exists on allocation of staff positions in partnering. Lack of knowledge in the partnering concept received forty-three percent and improper project planning and budgeting while distrust between employees from either partner received the lowest percentage.

Based on the overall results, it can be concluded that, most of the respondents which represents 60%, had voted equally on both the financial issues. 60% of respondents voted an average for bankruptcy of partners or financial problems while the same number of respondents voted for disagreement on accounting of share of profits and losses to be of high priority. This means the issue of disagreement on accounting of share of profits has a highly probability of occurring. 60% of respondents voted on this issue, illustrating the highest percentage while the second highest of 55% voted on the issue of lack of technical communication between partners. Poor quality/workmanship produced by partner received 53% votes while problems due to partners from different practice received the lowest percentage.

Also, the highest percentage (65%) of respondents voted on breach of contract by partners while 48% of

respondents voted on the issue of disagreement with some conditions of contract, followed by lack of enforcement by legal judgment and incomplete contract terms with partners which received 45% each.

In-depth interviews were held with 10 respondents who verified that the partnering concept is suitable for implementation among Class F contractors if they are really interested. Moreover, in order to overcome the scarcity of projects, the partnering concept should be applied so that more projects are available at any time. With the partnering concept, some of contractors believe that skilled labour services in different types of projects can be shared, thus saving labour costs. Four respondents claimed that the implementation of partnering among Class F contractors has several advantages and disadvantages. The partnering concept has its own benefits in terms of capital partnership, technical knowledge, experiences in different types of projects, management skills and so on.

However, three respondents stated that the partnering concept is not suitable due to the relatively small value of works offered to the Class F contractors, with less profit to be shared among several contractors. They are also of the opinion that Class F contractors lack knowledge in the concept of partnering and that the government is skeptical about providing assistance to Class F contractors. Conversely, most contractors claimed that they would have few problems in understanding the partnering concept, in allocating the works with other Class F contractors or with lack of knowledge.

DISCUSSION

Based on the findings, it was found that most of Class F contractors have basic knowledge and understanding of the practice of partnering. Most of them felt that the concept of partnering is suitable to be applied due to the current problems in the construction industry. On top of that, partnering can be used in various situations that demand productivity within a short given period, well-equipped plants and materials, enough capital and experience. Work productivity can be raised if the Class F contractors are fully committed to partnering.

In addition, most of the respondents felt that the implementation of partnering among Class F contractors can produce reputable and competitive Class F contractors. The contractor must know his business well and be efficient to face open-competition at all times. Like a good athlete, he has to keep fit and be constantly aware of market conditions and competitors. A reputable and competitive Class F contractor should be technically knowledgeable and optimistic.

Workers or skilled labour from the different partners are gathered together so that their skills may be utilized in different scope of works. Therefore, the project will be completed in time as the contractor does not face any

problems in getting skilled labour. If the contractor and his partners co-operate well, problems faced during the project stage can be easily overcome. For example, for small Class F contractors with insufficient finance, they can merge with contractors who have sufficient capital. Therefore, they can share their profits even though at first, they do not have enough finance. This reflects collaborative practices which is one of the inherent factors in the partnering concept.

This study illustrates the various problems faced by most Class F contractors in the construction industry. The Government of Malaysia is taking serious steps to reduce these problems, and in particular, the Ministry of Works aims to restructure the industry by merging companies involved in the same sectors to increase skilled contractors and reduce competition.

In this context, three issues that arise during the tendering process include problems during the early project stage and barriers or challenges faced by Class F contractors nowadays. Most of the respondents claimed that the tendering process was interrupted by politics. It can be seen that most of the Class F contractors were involved with the Local Authority in obtaining the projects. Therefore, the Local Authority has to stop giving out juicy contracts without tendering to prevent widespread favouritism.

Besides, during the early stage, most Class F contractors do not have sufficient capital to finance their undertakings. Banks do not accept the construction equipment owned by the contractor as collateral. Therefore, the Class F contractors face the problem of seeking sufficient capital to undertake their business. Hence, the Class F contractors also face late payment problems. The delay in payments occurs due to the tougher operating environment in the construction industry. Contractors have to stop work if payment is not prompt.

Furthermore, the barriers or challenges faced by Class F contractors nowadays have been identified. Fundamentally, the issue is the existence of too many Class F contractors competing for too few jobs. Most respondents concur that there is too much competition in obtaining projects. It has been shown that in a period of five (5) years, most respondents only managed to obtain projects 6 to 10 times. Moreover, Class F contractors nowadays also face logistics problems such as insufficient plant and machineries, materials, etc. This is due to lack of skills to wheel and deal with suppliers. Class F contractors also face problems in getting the skilled labours required for each type of works. If they have technical knowledge, they can apply their knowledge in every type of works. Therefore, before becoming Class F contractors, they should be encouraged to work as apprentices in the construction sites. This is one of the most effective ways to become fully competent whilst reducing the need to be too dependent on skilled labours later.

The effects of partnering among Class F contractors on the construction industry can only be beneficial. Partnering will enhance knowledge and skills-sharing in the industry. For example, partnering among Class F contractors involves different contractors with different abilities or skills in various types of works. Therefore, all of them can share experiences, develop their skills and bid for projects depending on their combined expertise.

The partnering concept can overcome financial problems faced by certain contractors especially the small Class F contractors. Collaboration and capital injection from able partners will create strong financial resources. Therefore, the contractor will have sufficient capital and be more confident in bidding for projects.

For the management, the experience brought by various contractors can be shared, leading to more efficient management and resourcefulness. Some creative ideas from the experienced contractors can be shared for developing the present business into a larger business in accordance with the demands of the construction industry nowadays. Eventually, different types of contractors from Class A until Class F can merge to form a consortium placed under one roof. Hence, there will be a continuous extension of works with completed projects being continuously replaced by new projects.

The implementation of partnering will enhance the decision making process. Ideas from different people can be gathered and discussed thoroughly to come to the most appropriate decision for any situation. Hence, it is hoped that more creative thinkers will emerge from this process.

On top of that, partnering among Class F contractors may lead to better communication skills among various partners involved. Good communication contributes to clear information. With clear information, any misunderstanding or any problems can be greatly reduced and resolved faster.

CONCLUSIONS

In this study, we present an analysis of the practice of partnering, its barriers as well as impacts. In view of the pressing challenges faced by Class F contractors in the Malaysian Construction industry such as increased competition, reduced number of projects, insufficient capital and lack of experience, these contractors may be compelled to undertake partnering.

The key benefits of the partnering concept include knowledge sharing, technical sharing, profit and losses sharing, efficient management, higher decision making skills, transfer of ideas from different thinking, etc. Thus, those Class F contractors who face obstacles in obtaining projects because their business is new, small and less established, will benefit from partnering as collaboration, knowledge and technical sharing which are inherent in the partnering concept, will help them to surmount these challenges.

While most Class F contractors have basic knowledge and understanding of the practice of partnering, their confidence and commitment in partnering may be further augmented by knowledge sharing and enhancing seminars and workshops. Consequently, Class F contractors who are knowledgeable about and truly committed to implement partnering will have the opportunity to reform and revolutionize their companies.

RECOMMENDING POSSIBLE STRATEGIES TO IMPLEMENT PARTNERING CONCEPT AMONG CLASS F CONTRACTORS

It is suggested that the government, the Malaysian construction industry and the Contractor Centre Service provide more courses and seminars for Class F contractors to clarify the concept of partnership. Comprehensive knowledge on partnering is required so that Class F contractors will be more confident to practice the concept. In addition, partnering courses are crucial for attracting Class F contractors to participate and discuss related issues with the relevant bodies in the construction industry.

The concept of partnering should also be made clear to the Class F contractors who are truly committed to its implementation. For the management, training should also be provided to avoid inefficiency of working committees, employees' distrust of each other, partner's lack of management competence and disagreement on the allocation of staff positions in partnering.

The concept of partnering should also be broadened to include the merging of Classes A, B, C, and D contractors who should also collaborate with the Class F contractors. It is suggested too that partners should come from the same areas of specialization according to the types of works undertaken. This is to increase efficiency within the partnering teams. Finally, further research should focus on the formation of a project distribution centre to facilitate partnering job distribution.

Moreover, a project distribution centre should be formed to ensure effective and efficient division of projects to all Class F contractors registered under the centre. Good management, freedom from political interruption and an adequate organizational structure should be the hallmarks of the distribution centre. Consequently, such a centre will have the potential to engender fair practices in the distribution of projects to Class F contractors.

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