

The Efficacy of Contractual Governance on Task and Relationship Conflict in Construction Projects

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Abstract : Conflict is commonplace in construction projects, and construction projects always involve designing contracts between the owner and the contractor. However, how the contract affects the level of conflict between the owner and the contractor has not been elaborated. The purpose of this paper is to explain the effects of contractual complexity on the level of conflict, including task conflict and relationship conflict, and then to demonstrate the moderating role played by the interdependence between the owner and the contractor. Using data from owners and general contractors in the Chinese construction industry, this research reveals that contractual control will reduce relationship conflict. Contractual coordination will also reduce relationship conflict by the mediating effect of task conflict. Besides, under high joint interdependence, the positive relationship between task conflict and relationship conflict is strengthened, while high interdependence asymmetry has effects on weakening the relationship between task conflict and relationship conflict. The findings provide guidance for contract designers to draft suitable contracts in order to effectively deal with conflict. Additionally, this research implies that project managers should highlight the importance of contract in conflict management.

Keywords : construction projects, contract governance, interdependence, relationship conflict, task conflict

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