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INTER-ORGANIZATIONAL INTEGRATION FRAMEWORK TO REDUCE INTER-ORGANIZATIONAL CONFLICT IN BUILDING REFURBISHMENT PROJECTS

ADEL NOORI

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ABSTRACT

Refurbishment sector is becoming one of the most important sectors in the construction industry. In many developed countries, refurbishment sector contributes nearly half of the construction industry output. In Malaysia, 22 percent of construction output was related to refurbishment works in 2015. However, refurbishment projects are more uncertain than new-build projects. Thus, inter-organizational conflicts are likely to happen, due to the uncertainty and the involvement of many organizations in building refurbishment projects. This suggests that refurbishment projects require inter-organizational integration to reduce the inter-organizational conflict. Therefore, the aim of this study is to develop an inter-organizational integration framework to reduce inter-organizational conflict in building refurbishment projects in Malaysia. This aim is achieved through the following four objectives: (1) to measure the level of uncertainty in building refurbishment projects; (2) to measure the level of inter-organizational conflict in building refurbishment projects; (3) to measure the degree of inter-organizational integration in building refurbishment projects; and (4) to investigate the relationship between uncertainty and inter-organizational conflict and inter-organizational integration as a mediator in building refurbishment projects. The respondents of this study are boundary role persons who represent construction or architectural firms in dealing with other organizations in building refurbishment projects (e.g., project managers, architects, contract managers) from construction and architectural firms in Malaysia. This study adopted the quantitative method of data collection. The data collection started with a pilot study on twenty (20) respondents, followed by a Web-based final questionnaire survey on 1050 construction firms and 733 architectural firms. One-hundred-eighty-eight (188) refurbishment projects formed the database for this study. The Exploratory Factor Analysis (EFA) was conducted to validate and refine the data collected. The Statistical Package for Social Science (SPSS) was used in both the descriptive and inferential statistics. The overall relationship of the theoretical framework was analysed by using Structural Equational Modelling (SEM) based on Partial Least Square (PLS). The study found that refurbishment projects are moderately uncertain. The top three factors that contribute to the uncertainty in refurbishment projects are ‘difficulty of access to the site’, ‘inadequate space for storage material and working’, and ‘unclear scope of the work’. The inter-organizational conflicts in refurbishment projects are also at a moderate level. Furthermore, the findings show that inter-organizational integration partially mediates the effect of the uncertainty on the inter-organizational conflict in building refurbishment projects. The study recommends that inter-organizational integration mechanisms should be used to reduce the inter-organizational conflict in building refurbishment projects.

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