

# AHEAD OF TIME AND UNDER BUDGET: A CASE STUDY IN COLLABORATION

Major road projects often involve having to resolve conflicts between parties who have widely differing objectives. Learning the processes and techniques for conflict resolution can play a big role in settling these differences.

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VicRoads' Hallam Bypass Project was an ambitious project in Australian road-making, with a budget of \$165 million and a timeline of four-and-a-half years. Part way into the construction period, a potentially explosive problem arose on one segment of the road: a site survey at Gunns Road Reserve proved to be inaccurate, requiring greater encroachment into existing parkland and redesign of a wetlands area. Community members and local politicians were furious; council refused to issue a permit for works; and the contractor faced delays and costs that would be passed on to VicRoads, the project sponsor. The situation was a tinderbox and could have ignited a war of position-taking, protest and litigation.

Conflict resolution experts reading this would all agree: what was needed was a collaborative and principled discussion of the key interests of all the parties, with



a view to finding a 'win-win' solution – or at least the best and most legitimate solution possible in the circumstances. Most players in the roads industry also acknowledge the desirability of this approach. However, many companies find it difficult – if not impossible – to put it into practice. Why is that?

One reason is that there's a long history in this industry of using adver-

sarial approaches to resolve conflicts. Once the initial enthusiasm of contracting has passed, the inevitable surprises during construction usually lead to hard-fought rights-based battles between contractors and project sponsors over variation claims. And members of the public turn to power-based approaches such as positional demands, lobbying politicians and protests because they're used to an adversarial style of politics.

Second, there is a culture in this industry of doing things the way they have always been done, particularly when it comes to ways of dealing with people. Rather than seeing the financial and human cost of adversarial conflict as a call to change, there is a tendency to say "Oh well, that's human nature" and try to tough it out.

A third key barrier is that individuals don't have the skills. Frontline workers and senior managers alike have great technical skills, and may even be 'good with people', but many don't have the specific interpersonal skills needed for collaborative problem solving. And where individuals do have these skills, their efforts can be undermined by the adversarial approaches of their less skilful colleagues or managers.



## Rising to the challenge

A notable success story, the Hallam Bypass Project (HBP) was completed 17 months early and \$10 million under budget. A key component of that success was the ability of VicRoads and its partners to resolve the many large and small problems that occur in any such project – including the Gunns Road Reserve conflict mentioned above – using a collaborative, interests-based and principled approach.

The rest of this case study explains how they did it, focusing on the authors' experience with the VicRoads HBP team.

## Setting interests-based collaboration as a strategic priority

A key to the HBP's 'collaborative edge' was the early decision by its leaders to make collaborative problem-solving a strategic priority throughout the project. As senior managers modelled these processes, rolled out training programs across the team, and implemented new performance criteria, it became clear to staff at all levels that this new approach was not an 'optional extra' but an essential component of the way they should work.

## Training everyone in core skills

Building on the openness to innovation that flowed from HBP's broader 'Learning Organisation' program, CMA trained all staff of the project in the Harvard Negotiation Project's renowned methods for principled negotiation. By making this training universal, the HBP's leaders reinforced the message that they wanted to drive a cultural shift throughout the project, not just top up the skills of a few senior leaders or 'fire-fighters'.

Importantly, the initial two-day training sessions were followed up with refresher and practical application sessions for all, as well as advanced level training for many HBP staff. By connecting best-practice principles with the real-life challenges faced by the participants in between the sessions, the program enabled them to implement their new skills at higher level and more consistently than a one-off training event.

## Beyond training

Recognising that real cultural change requires more than just training, the HBP team and CMA worked together to reinforce the new approaches through incentive systems and standardised work practices. To this end, they developed a



set of core competencies and performance review systems focusing on the behaviours associated with principled, interests-based collaboration. Similarly, they created customised on-the-job tools that individuals and teams were instructed to use to analyse, prepare for and review their potential conflict situations.

## Beyond negotiation: leadership skills

Finally, the HBP saw that their leadership and management skills should be updated to reflect the same collaborative ethos. CMA again provided an overall framework for developing leadership skills and ethics, as well as specific skills such as clarifying vision, building commitment/alignment, and effective coaching and feedback. Not only did this leadership development assist the HBP itself, it was seen as an investment in the success of future VicRoads projects.

## Collaboration in practice

In countless day-to-day interactions, the use of a collaborative approach meant that many more issues were resolved on the spot and never became major problems. Strategic decision-making with contractors, stakeholders and staff, and negotiations to resolve the disputes that did arise, were all based on a collaborative process whenever possible.

And, when disputes couldn't be resolved through interests-based discussion alone, HBP and its partners found principled ways of ensuring a fair outcome for both parties. For example, they made significant use of independent expert analysis and independent evaluations to resolve factual and technical disagreements at the heart of variation claims, rather than resorting to costly and relationship-damaging litigation.

## How the Gunns Road problem was resolved

But what about the multi-party conflict over Gunns Road Reserve, which introduced this article? Here, the HBP leadership group played a quasi-mediation role. Instead of advocating a predetermined position on the outcome, they successfully facilitated a dialogue among the other parties about creative options to meet the key interests of all parties, as well as objective standards of legitimacy. Within a relatively short period of time, the road and parkland were collaboratively redesigned; council approved the works and even contributed to some of the costs of desired paths, boardwalk, fauna protection and viewing areas; and the contractor and VicRoads found other aspects of the project to complete during the pause, and other ways to minimise the overall delay and costs.

In an industry with a reputation for delays and cost blowouts, 17 months early and \$10 million dollars under budget makes the Hallam Bypass Project stand out. One of the critical lessons to learn from this experience is that with sufficient commitment, it is possible to develop a consistently collaborative approach to dealing with all parties – and that this approach delivers the results that count.

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