

## **Emotional Intelligence in Construction Contract Administration**

Emotional intelligence (EI) is the thread that ties the disparate functions of construction and the management of the construction team together. Emotional intelligence has been defined 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”<sup>(1)</sup>; “the subset of social intelligence that involves the ability to monitor one’s own and other’s feelings and emotions, to discriminate among them, and to use this information to guide one’s thinking and actions”<sup>(2)</sup> and “the capacity to understand and explain emotions on the one hand, and of emotions to enhance thought, on the other hand”<sup>(3)</sup>. Daniel Goleman, Ph.D., promoted the concept in his 1995 book, *Emotional Intelligence* and in subsequent books on the subject. Other researchers have also investigated its application to various industries.

A great deal of literature has been published investigating emotional intelligence and its application in the work environment. However, little has been targeted toward the design leader throughout the construction process, the construction contract administrator (CCA).

The CCA has a different function than the construction manager (CM) or the contractor. The CM 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 CM and the owner to allow the project to be constructed in accordance with the contract documents. Team members, the owner, the CM, and the CCA each have their own skills, knowledge and abilities (SKAs). During the construction of the project, their SKAs are vital to the timely and accurate completion of the project. The CCA’s typical skill set includes organization, good communication skills, time management, and a thorough understanding of design and construction and of contract documents. Emotional intelligence must also be integrated into the CCA’s SKAs for effective administration of the construction contract.

Many articles have been targeted toward the construction industry with a focus on the construction manager or contractor. There are four parts of emotional intelligence: perception, comprehension, management, and use of emotions. The James-Lang theory of emotions contends “emotions occur as a result of physiological reactions to events”<sup>(4)</sup>. Jennifer George defines emotions as “high intensity feelings that are triggered by specific stimuli (either internal or external to the individual), demand attention, and interrupt cognitive processes and behaviors”<sup>(5)</sup>. The daily business of constructing buildings offers many opportunities to react to events or stimuli. Emotional intelligence is demonstrated by perceiving the emotions of others during the personal interactions of conducting business. There must be empathy for the perceived emotional state of another person and its impact on other team members. After this emotional state is understood, the CCA must use this knowledge to more effectively administer the construction contract.

As a collaborator in a diverse group of people with different and complementary SKAs, the CCA's understanding of other team members' emotional states is vital to the project's success. When administering the construction, there will be times when the CCA is faced with confrontational situations generated by emotions that might include fear, embarrassment, or insecurity. In order to understand the reaction, the CCA must take the time to determine the cause. When the cause is understood, the possibility of designing a win-win solution is much greater. If the reaction is anger, what is the cause? Is it due to continual changes from the design team or something missed by the contractor? When the CCA understands the cause of the emotion, he or she can use that information to build a relationship to benefit the project.

The CCA's duties often vary by project and will in part be based on the project delivery method. The traditional design-bid-build (DBB) low bid environment is, by its nature, an adversarial arrangement. In order to win the project, constructors are typically forced to use the low bids they receive often with the anticipation of making their profits from change order work "not included" in their bid. The debate is then concerning items the CCA believes are included in the documents versus what the contractor excluded from their bid. The completeness and accuracy of the contract documents plays an integral role in the amount of potential confrontation during the execution of the project. This adversarial setup requires the CCA to be skilled at conflict resolution and a major part of that skill is EI. Other project delivery methods like Design-Build (DB) and Construction Management at Risk (CMR) require a variance in roles illustrating the breadth of experience and skill the CCA must possess. The management skills required may also vary depending on the specific situation. The specific definition of services will depend on the project delivery method and the needs of the owner. To be effective, the CCA must be team oriented, have excellent communication skills, experienced in the construction methods required for the project, while being objective, fair minded and quick to respond. However, the SKA's of the CCA are the same for all project delivery methods.

The CCA must follow a clear decision-making process. Providing the reasoning behind the decision will reduce the potential for a negative emotional reaction. The ability to fairly interpret the contract documents and settle disputes as they arise are critical to maintaining the project team members' ability to work together. In traditional project delivery methods, the CCA is usually a member of the design team. As such, 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. EI, in the form of asking questions and listening to information from the various construction parties, is a much needed skill for decision making. However, the CCA must be prepared to make tough decisions when necessary. When a decision generates a negative reaction, the CCA needs to determine if the reaction itself is negative or if it's merely the perception of the reaction that is negative. Pausing to consider the reaction requires the CCA's control over his or her own emotions and provides an opportunity to listen to the concerns of others. In addition, the CCA must be willing to consider that others may be correct or have a better solution. The CCA should not rush to resolve every issue or opportunity too quickly. Allowing other team members to voice their concerns and discuss the situation will develop their confidence that the CCA is listening.

The situation may resolve itself without intervention. However, the CCA must monitor the emotions of the team members to use EI to the benefit of the project. By carefully monitoring the team dynamics and emotions, the CCA will know when it is appropriate to intervene to manage the situation. Through listening and focused questioning, the CCA will gather information necessary to provide guidance to resolve the situation. “Leadership qualities are critical for the success of a project manager (CCA) and are dependent on his or her strategic influence on people to commit themselves to achieve the project’s aims”<sup>(7)</sup>. The CCA’s strategic influence is in part due to his or her EI and will help to develop team EI.

The concept of team emotional intelligence must also be recognized. As a result of the need to manage the team’s emotions, the CCA is challenged to “think about emotions accurately and clearly in order to anticipate, cope with, and effectively manage change”<sup>(3)</sup>. The more team identity the leader has constructed, the more the leader’s emotional state is transferred to the team. This is especially important when changes are required due to unexpected circumstances. These unexpected situations can develop into confrontational situations without skillful administration and application of EI by the CCA. While there are other project leaders (Owner and CM), the CCA’s leadership in these unexpected circumstances will strengthen the team’s EI.

When the CCA is faced with an emotional reaction to an event, it’s important to determine the cause of the reaction. When this is understood, designing a solution that addresses the cause of the reaction and considers the interests of other parties will be possible. It will also positively influence the team EI. “In order for the organization to gain and maintain a competitive advantage, its increasingly valuable employees must be able to adapt well to changing environments both external and internal”<sup>(1)</sup>. These internal environmental changes can be the result of interpersonal interactions among team members. Therefore, the CCA should also act as facilitator. “Teams as well as individuals need to develop emotional intelligence skills that help enhance teamwork, improve group dynamics, and ultimately, increase performance”<sup>(8)</sup>.

The construction administration process is a balance between the written contract, design intent, and the actual construction, and is often conducted amidst conflict between 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.<sup>(9)</sup> CCAs who are aware of, and are in control of, their emotions have the ability to accurately predict other reactions to events. The role of a leader has not changed significantly for thousands of years. The leader (CCA) must be confident, have the ability to coordinate various groups, not be quick to anger, be trustworthy, possess wisdom, and be able to relate to people. These attributes describe the application of EI in construction contract administration. As Ling & Lee summarize, the skills described in Sun Tzu’s *The Art of War* also remain relevant in characterizing a leader: “It is proposed that professionals [CCAs] be flexible to seize advantages at the workplace”<sup>(10)</sup>. In order to seize the workplace advantage, CCAs must possess and apply their EI in leading their teams effectively.

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