Conflicts and Disputes in Nigerian Construction Projects

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ABSTRACT

In the implementation of the project in Nigeria, all parties involved expect the project to be completed in accordance with the project's expectations. The expected goals included, among other things, that the project be completed on time, on budget, and with good quality. If the project objectives are not met adequately, there will be constraints in its implementation. Many conflicts or disputes between the elements involved in the project's implementation arose during its implementation. The goal of this study was to determine the sources of conflict on a Nigerian construction project.

I. INTRODUCTION:

Today's building projects are becoming increasingly complex. Construction is a process in which disputes are nearly guaranteed due to the complicated, interrelated, and protracted process of designing and building. Furthermore, using multidisciplinary teams in a building project can lead to disagreements between the participants. Conflict and conflicts appear to be an unavoidable part of the construction industry, especially when most building projects are fraught with unknowns.

Variation, extension of time, payment, quality of technical specification, availability of information, administration and management, unreasonable customer expectations, and determination are all major reasons of construction disputes, according to a study by Kumarswamy & Yogeswaran. Conflicts might arise as a result of a lack of resources such as time, money, labor, materials, and/or equipment, according to other studies (Kathleen, 2003a). Conflict and conflicts are an endemic problem in the construction sector, according to Smith. Conflict can make it difficult for people to communicate with one another, cause personal and professional relationships to break down, and diminish productivity. Conflict creates tension and diverts team members' attention away from the task at hand. According to Cheung & Suen, if disputes aren't handled appropriately, they can lead to project delays, low team morale, higher project expenses, and, most importantly, ruin long-term business relationships. As a result, it's not surprising that many construction stakeholders still see conflict as something to avoid or resolve as quickly as possible. Many scholars, however, have pointed out that conflict is a phenomenon that can have both constructive and dysfunctional impacts on individuals, groups, and organizations. As the number of claims and disputes rises, the construction industry struggles to find equitable and cost-effective solutions to handle them. Managing disagreements, according to Shin, should become a component of normal project management during project operation because disputes in construction projects are prevalent and must be resolved quickly on the job site.

Conflict, according to Brown et al., is defined as doubt or questioning, opposition, incompatible behavior, controversy or antagonistic interaction, and disputes, among other things. A dispute, according to Kumarswamy & Yogeswaran, exists when one party makes a claim or assertion that is rejected by the other party and that rejection is not accepted. This demonstrates that conflicts are more likely to emerge when opposing parties demonstrate actions or arguments in response to a dispute. A dispute, according to Vorster, is a disagreement over a project-related issue that usually arises from a disagreement over two or more parties' perceptions of the situation. This assertion is backed by Deutsch's definition of conflict as incompatible activities; conflict happens when one person's conduct interferes with or obstructs the actions of another. There are probably as many definitions of conflict as there are opportunities for it to arise. According to Thomas, there are three common motifs in conflict definitions. The first is that whether or not conflict exists is a matter of perception. The perceived difference may not be actual, yet there is no conflict if the difference is real but not perceived. The interconnectedness of the parties is the second common theme (i.e. each has the potential to interfere with the other). Third, there are concerns about stumbling blocks, opposition, and scarcity. Money, power, and status are only a few examples of restricted resources. Because of their shortage, they engage in blocking behavior. Conflict arises when one party obstructs the path to another's aim or interest. These various definitions demonstrate that researchers are approaching conflict from various perspectives, but is there a distinction between conflict and dispute, and if so, should we be concerned about it? Some authors do not distinguish between the two phrases, as Moore does in the first paragraph of his Chapter 1. However, most past research on conflict and disputes uses the same definition, which is that it often involves disagreements over interests or ideas, and this definition was used in this study. The key point is that both phrases have historically been seen as unfavorable and should be avoided.
Due to difficulties caused by the COVID-19 outbreak and accompanying lockdown measures, the Nigerian construction industry struggled in 2020. In 2020, the country went into recession due to a drop in oil prices and a pandemic. High debt-service costs and low tax receipts also limited fiscal spending and new government initiatives. This pattern continued in 2021, with the World Bank publishing a report in June 2021 (Nigeria Economic Update: Resilience via Reforms) predicting that the Nigerian economy would rise by 1.8 percent in 2021, but the prognosis was uncertain. Because the economy is expected to grow more slowly than the population, GDP per capita is expected to continue to decline. The construction sector rose by only 1.42 percent in Q1 2021, compared to 1.21 percent in Q4 2020, according to data from the National Bureau of Statistics (NBS). Despite the impact of the epidemic, which resulted in a considerable drop in building activity, the industry was predicted to be one of the primary drivers of the Nigerian economy in 2021.

The Federal Government of Nigeria (FGN) is committed to growing the infrastructure industry, which includes updating and expanding the country's existing on-grid and off-grid power generation facilities. In June 2021, the President approved Infraco Plc, a world-class infrastructure development vehicle with a capital of NGN15 trillion that is solely focused on constructing infrastructure projects in Nigeria (about USD3.6 billion).

The rate of implementation of the Nigeria Economic Sustainability Plan (NESP), the country's post-COVID economic recovery plan, and the Economic Recovery and Growth Plan for 2017-2020 will play a role in any considerable expansion in the construction industry (ERGP).

The President signed the long-awaited Petroleum Industry Bill into law on August 16, 2021. This law is projected to provide Nigeria's oil and gas sector a much-needed revamp, resulting in multiplier effects across the entire construction chain and the economy.

The Federal Government of Nigeria (FGN) is taking steps to reduce the infrastructure deficit by increasing spending as part of a 30-year infrastructure plan (National Integrated Infrastructure Master Plan) (Infrastructure Plan) with a 2043 target date, which aims to bring Nigeria's infrastructure stock up to the World Bank's recommended GDP level. In the 2021 Appropriation Act, the current administration has planned NGN4.125 trillion (about USD9.9 billion) for capital spending.

The government has used public-private partnerships (PPP) arrangements to finance projects for which the government is unable to secure debt financing, such as the: • Highway Development and Management Initiative, a PPP that is expected to attract over NGN1 trillion in private investment for the development and maintenance of road networks.

Ports. The Lekki Deep Sea Port Project, a multi-purpose deep sea port for the Lagos Free Trade Zone, began construction in 2018 and is scheduled to open in 2023. Three more seaports were also approved by the presidency, all of which are projected to create jobs and attract more international investment: Bonny Deep Sea Port, Ibom Deep Sea Port, and Warri Deep Sea Port are all deep sea ports.

We anticipate more developments in this area in other states in the medium to long term, based on the President's instruction that every seaport have complementary rail infrastructure.

Roads. There are now over 800 road projects underway across the country. The second Niger Bridge, the Bodo-Bonny Road, the Abuja-Kaduna-Kano Expressway, and the Obajana-Kabba Road in Kogi State are among them.

The FGN issued an NGN162.5 billion (about USD393.4 million) Sukuk (Islamic bond) in 2020, the third of a three-part series, to fund the development and rehabilitation of roads across Nigeria's six geopolitical zones.

Power. The FGN intends to overhaul the electricity sector and has launched the Power Sector Recovery Programme in collaboration with the World Bank Group (PSRP).

- Restoring sector viability is one of the PSRP's goals.
- Increasing the reliability of the power supply to meet rising demand.
- Increasing transparency and strengthening the sector's institutional architecture.
- Putting in place clear policies to support and foster investor trust in the industry.
- Creating an electricity market based on contracts.
- Implemented policies aimed at increasing rural electrification through the Rural Electrification Strategy and Implementation Plan (RESIP), which included the formation of the Rural Electrification Agency (REA) Board. The REA's mission is to expand rural and underprivileged populations' access to energy through public and private sector collaboration.
- A 67.32 KW solar hybrid mini grid in Oloibiri, Bayelsa State; and a 234 KW solar hybrid mini grid power plant in Shimankar Community, Shendam Local Government.
- As part of the NESP, launched a program under the REA to install five million new solar-based connections in places that are not yet linked to the grid.

Signed a six-year, NGN115 trillion (USD3.8 billion) contract with Siemens AG of Germany for a three-phased electrification project as part of the Presidential Power Initiative (PPI), which aims to increase Nigeria's power supply to 25,000 MW in three phases. The payment of EUR15.21 million and NGN1.708 billion as counterpart for the PPI was approved by the Nigerian President in July 2020. The project is now in the pre-engineering stage and is expected to take ten months to finish.

The World Bank Group authorized a USD500 million loan to the FGN in February 2021 to help improve the electricity distribution sector and increase access by enhancing the performance of Electricity Distribution Companies (DISCOs) through a large-scale metering scheme.

The FGN approved a USD120 million extension of the Kashimbila multipurpose dam in Taraba State, which is scheduled to generate 40 MW of power and provide water to the population, in June 2020.

Energy. The government wants to boost renewable energy in the country by launching a number of projects and sub-programs under the Renewable Energy Program, including the NAJIA LIGHT Solar Electrification Program, the Energy Efficient Housing Scheme, Abuja Green City, and the Renewable Energy Village in Kaku, Kaduna State.

In the northern portion of the country, there has been a growth in the construction of renewable energy projects, particularly in the form of solar photovoltaic power plants. Many solar projects in the northern region also provide distributed energy solutions to clusters within the region, such as...
marketplaces and housing estates, on a "off grid" approach. The Federal Government of Nigeria stated in February 2021, at the commissioning of a 1.12 MW Captive Solar Hybrid Power Plant at the Abubakar Tafawa Balewa University in Bauchi, which was carried out under the Energizing Education Programme (EEP), that Nigeria intends to source 30% of its electricity from renewables by 2030.

**Transport.** The FGN put forth expenditure intentions for transportation and infrastructure projects in the 2018 Appropriation Act, which included the building of big power projects, road networks, and the construction and renovation of railway networks. The FGN and a Portuguese construction firm, Mota-Engil, signed a Memorandum of Understanding in January 2021 for the building of the cross-border Kano-Maradi train line, which is expected to cost USD1.96 billion. The Kano-Maradi train, according to the Minister of Transport, is intended to facilitate bilateral trade between Nigeria and Niger.

- In 2021, the Lagos-Ibadan Standard Gauge railway began commercial operations. • In 2020, the Abuja Metro Rail, the Abuja-Kaduna Rail, and the 327-kilometer Itaokpe-Ajaokuta-Warri Rail projects will be finished, making it easier to import and export commodities.
- The Federal Executive Council approved the USD11.17 billion Lagos-Calabar coastal standard-gauge line in August 2021.
- The Federal Executive Council approved contracts for the Kano-Jibia and Port Harcourt–Aidugari rail routes.

However, in Nigeria, the sluggish implementation of government budgets has long been an issue. In Nigeria, for example, the majority of the road networks are still in poor condition.

Following the completion of several road projects and road building using funds raised from the FGN Sukuk, it is believed that the situation will usually improve (see above, Roads).

**Real estate/housing** - A number of strategic partnerships between the private sector and the FGN have been formed to alleviate the country's housing crisis. The FGN has reaffirmed its commitment to launching mass real estate projects throughout numerous states as part of its National Social Housing Programme (NSHP) to address the housing shortage. FGN said in December 2020 that under the NSHP, it plans to build 300,000 dwellings for low-income people across Nigeria.

State governments have also engaged on efforts to provide inhabitants with inexpensive homes. The state government of Borno has initiated an Owner Occupier scheme for 2,787 housing units. In addition, the Lagos State government has teamed with the Nigerian Mortgage Refinancing Company (NMRC) and private developers to build and deliver 20,000 housing units in the near future.

The Governor of Lagos State commissioned 246 housing units in the Lekki district of the state on May 28, 2020. Delta, Ebonyi, Enugu, Edo, Ekiti, and Gombe, and the Federal Capital Territory (FCT) are among the states that have started affordable housing projects.

The private sector has also shown an increased interest in real estate investment. PPPs are being used to create a number of recent projects, including those listed below. The growing middle class in Nigeria has made private capital investments in condominiums and shopping malls a popular choice.

Despite continued interest in developing Nigeria's transportation networks, current infrastructure does not match the needs of the country's rapidly rising population and economy, putting a strain on the country's existing infrastructure framework in rapidly growing urban cities. The following are some of the most significant large projects currently underway:

- The Lagos-Ibadan standard gauge railway will run through Ogun State, connecting Lagos and Ibadan.
- The Abuja light rail, Nigeria's first (rapid transit) light rail project, was just inaugurated.
- AG Dangote Construction Company Ltd built the Apapa-Wharf concrete road.
- The Lekki Deep Sea Port is being built (see above, Ports).
- A deep-sea port with a railway linking Calabar to Port Harcourt and the Onne Deep Sea Port.
- The Ibom Deep Seaport project is nearing completion, following the commencement of a bid process in Lagos in November 2018, which was won by Bollore Africa.
- The Lagos-Ibadan expressway, one of Africa's largest road networks, as well as Nigeria's oldest expressway and busiest inter-state route, has undergone extensive reconstruction.
- The proposed building of a train line connecting Nigeria's Kano and Katsina to Niger Republic's Maradi.
- The construction of the Second Niger Bridge, which is scheduled to be finished in 2022.
- In Lagos, the Dangote Group is building an oil refinery with a capacity of 650,000 barrels per day.
- Eko Atlantic City, Lagos
- Mambilla Hydroelectric Power Project
- Lagos's Lekki Free Trade Zone
- The Lagos State Light Rail Project is a public-private partnership.
- The deep-sea port of Badagry.
- The deep-sea port of Bakassi.
- A $3 billion methanol facility is being built in Brass, Bayelsa State.

**Project Management:**

The application of processes, methods, skills, knowledge, and experience to achieve particular project objectives within agreed-upon parameters using processes, methods, skills, knowledge, and experience. Final outputs are bound by a finite timeframe and budget in project management. Suharto (2001) defines project management as the planning, organizing, directing, and regulating of project resources in order to achieve short-term objectives. Project management is done utilizing a vertical and horizontal hierarchical architecture. The project's goal is made up of cost, quality, and time components. The project's third goal is to meet triple limitations, which are as follows.

1. The project must be finished at a cost that does not exceed the allocated budget.
2. The project's quality, product, or output must meet the needed specifications and criteria.
3. The project must be completed within the stipulated time frame and by the specified deadline.

**Project Implementation Organization:**

According to Dipohusodo (1995), organization is essential for the seamless implementation of the project during the planning and implementation stages. Organization is a tool that enables individuals to collaborate effectively in order to attain a more defined and focused goal. There are elements of implementation in the implementation of a project, and each has responsibility and authority in accordance with his or her position. Individuals and groups in a project's organizational structure must be able to articulate the relationship of obligation, responsibilities, and authority. There are various factors in the project's implementation, including the owner, consultants, and contractors. The following are the project's working relations elements:

1. The owner's and consultant's working relationship is a contractual relationship enshrined in the Working Agreement.
2. The working relationship between the contractor and the owner is a contractual relationship enshrined in the contract. Working.
3. The consultant and contractor's working relationship is a functional relationship in which each performs their duties and responsibilities as stated in the document's implementation.

**III. CAUSES OF CONFLICTS AND DISPUTES**

Thamhain and Wileman looked into the causes of war (2010) Project priorities, project timetables, and workforce are three key sources of conflict, according to them, over which project managers have limited control. Other reasons include technological estimations, performance tradeoffs, administrative and organizational conflict, as well as cost and interpersonal differences. The reasons of conflict fluctuate from one stage of a project's life cycle to the next. Thamhain et al. described the sources of conflict in each phase of the project life cycle in the table below. In the early stages of a project, there may be a lot of ambiguity. A successful commercial project depends on effective communication between the client and the project sponsor, who is the leader. In the beginning, the sponsor or client may not have complete faith in the project, or they may have complete confidence, but there is insufficient communication. As a result, ambiguity will lead to the emergence of conflict in the early stages. If these circumstances exist, the uncertainty and risk in a project will lead to conflict: First, if one of the risky events occurs, and parties are affected as a result. Second, when a situation arises in which the risk applicable to the project has not been established by the suffering party or when the risk has been identified but insufficient steps have been taken to mitigate its impacts. Third, if there is a circumstance in which the risk distribution between the parties was not clearly established as a priority concern. Negotiation and communication make up the planning process during the starting phase, which is characterized by ambiguity. According to the table above, priority conflicts continue from the previous phase, and technical requirements, timetable demands, and processes are additional sources of conflict in the planning phase. At this point, good communication between the project manager and the resource manager is critical, as disagreements frequently arise from project managers' underestimating. In a commercial project lifecycle, the execution and control stages are intertwined. During these phases, meeting service delivery deadlines becomes more challenging, and labor demands and stakeholder pressures rise. Conflict arises when stakeholders' expectations are not met in a satisfactory manner.

Finally, timetables continue to be the primary source of friction in the close-out phase, as the pressure to accomplish targets on time intensifies. Furthermore, anxiety about a new project exacerbates personality conflicts, as upcoming new initiatives and the reintegration of the personal into factional divisions create labor force conflicts. Groton et al. investigated the reasons of disagreements, and found that they fall into one of the following categories: Uncertainty in a project arises from pre-existing conditions, external influences, and complexity, all of which create change beyond the partners' expectations. Contracting Process Issues: Contracting process issues include incomplete scope definition, unrealistic cost or completion date expectations, and poor performance in the execution of the work. Individuals difficulties: Issues and problems that arise between people as a result of inadequate interpersonal skills, communication breakdowns, a lack of responsiveness, and unethical or opportunistic behavior. Using Groton et al study as a guide, it is clear that conflicts are at the root of most disputes. When it comes to the complete process of conflict and disputes, both arise from project uncertainty, and both have comparable sources in leading them to emerge during the project lifecycle. As a result, it's important to point out that disagreements are a collection of dysfunctional confrontations.

**IV. FACTOR OF CONFLICT IN CONSTRUCTION PROJECTS**

Conflicts are unavoidable in the construction sector due to differences in perceptions among project participants. If confrontations aren't handled properly, they can soon devolve into disputes. One of the biggest things that prevents a building project from being completed properly is disputes. As a result, it is critical to understand the sources of disagreements in order to execute the construction project on time, on budget, and with the intended quality. Susila is a woman who lives in Finland (2012) In a building project, on the one hand, the contractor's focus is on completing the project according to the given timeline and attempting to earn a profit, while the owner requires great facilities at reasonable pricing. In order to achieve their aims, each party's goals appear to be contradictory, which could lead to conflict. Owners, consultants, contractors, contracts and specifications, human resources, and project conditions are all potential sources of conflict. The complexity of the task, the restricted time, the number of resources required, and a variety of other factors all influence the construction process (Susila 2012). If these limits are not addressed immediately, it is possible that losses will occur, as well as conflict. Conflicts arise during the implementation stage when what is specified in the contract does not match what is done in the field. According to past study, the following factors generate disagreements in building projects:
V CONFLICT MANAGEMENT:

Conflict management is the ability to recognize and resolve problems in a rational, fair, and efficient manner. Because conflicts are an unavoidable aspect of doing business, it’s critical to have individuals who understand them and know how to resolve them. This is more vital than ever in today's market. Everyone wants to prove how important they are to the organization they work for, which can lead to conflicts with other team members.

Conflict Management Styles

Conflicts inevitably arise. The way an employee handles and resolves disagreement will determine whether or not that person succeeds. According to Kenneth W. Thomas and Ralph H. Kilmann, a manager will use one of five conflict styles (2009)

An accommodating - A manager who is accommodating is one who works well with others. This could be done at the manager's expense and in direct opposition to the manager's own aims, objectives, and planned outcomes. When the other person is an expert or has a better solution, this strategy works well.

Avoiding: One approach a manager could try to handle conflict is to avoid it. This type of conflict style does neither assist other employees in achieving their objectives, nor does it assist the manager who is avoiding the issue and unable to assertively pursue his or her own objectives. This method, on the other hand, works effectively when the problem is minor or when the manager has no chance of winning.

Collaborating: In this technique, managers become partners or team up to achieve both of their objectives. This is how managers can break out from the win-lose mindset and pursue the win-win situation. This can be useful in complex situations where managers need to come up with a new solution.

Competing: This is a lose-lose strategy. A manager is behaving assertively to attain his or her own goals without seeking cooperation from other employees, and this may be at the expense of those other employees. This method could be useful in an emergency where time is of the essence.

Compromising: This is a lose-lose situation in which neither the individual nor the boss achieves their goals. This necessitates a level of assertiveness and cooperation that is modest. It might be appropriate in situations where you need a quick fix or both parties have equally important goals.

VI. THE SUCCESS OF PROJECTS

According to Shah (2004), the following factors should be considered while evaluating the project's success:

1. Aspect of costs
   In line with contract terms and agreements; b. The project owner agrees to pay until the job is completed; c. No progress billing is owed; and d. Obtain positive benefits, including business benefits.

2. Aspect of quality
   In accordance with the technical specifications of the contract documents and agreements; b. The project owner agreed and accepted the project unconditionally; c. No penalty or complaint about the project’s quality of work; d. Occupational health and safety implemented properly; e. All parties involved in the implementation are satisfied; and f. Obtaining a certificate of completion

3. Aspect of time
   a. The project was completed on time, or according to the work schedule in the contract agreements; b. The project owner agreed to and accepted the completion of part or all of the work; c. There were no complaints regarding the implementation progress connected to the completion of the job.

VII. FINDINGS AND DISCUSSION

There are no differences in contractors' and consultants' perceptions of the major causes of conflict, as can be observed. The most significant causes of conflicts in construction projects were identified as poor financial projections on the client's side, poor public relationships between project people and the public, lack of funds, change of scope of works due to client requirement instability, deliberate blockage of information flow, cheap design hired instead of quality, and inadequate contract provisions for enforcement of timely payments. According to this paper, there are five techniques that are commonly used in resolving conflicts:

1. Withdraw / Avoid. Techniques for settling conflict in a way that delays or avoids possible conflict situations would be used. Avoid or postpone resolving the disagreement in order to properly prepare, or expect the task to be completed by others.

2. Smooth / Accommodate. Techniques for resolving disagreement with a focus on the level of agreement.

3. Compromise / Reconcile. Techniques for settling conflict by exploring solutions that satisfy all parties in order to resolve the issue temporarily or partially. This strategy is also known as “give and take.”

4. Force/Direct. Techniques for settling dispute based on one party’s power without respect for the other. The parties usually resolve the issue based on their authority and power. The win-lose strategy is another name for it.

5. Collaborate / Problem Solve: Techniques for resolving conflict by incorporating diverse points of view and opinions. To reach a consensus or a shared commitment, cooperative and open communication is required. (From the PMBOK, 2013)

VIII. CONCLUSIONS:

It is well agreed that construction undertakings are fraught with danger. It is necessary to identify conflict reasons in order to successfully manage conflicts. As a result, this research was required. The issue must be handled in a timely manner in order to avoid spreading contagion to the project's
goal-achieving activities. The current prevailing paradigm is interactionism, which holds that conflict in organizations can be beneficial in some circumstances (Robbins and Judge 2009).

REFERENCES


