



INDIAN INSTITUTE OF TECHNOLOGY GUWAHATI  
SHORT ABSTRACT OF THESIS

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Relational contracting has been increasingly used as an innovative tool for cost saving, schedule reduction, reduced litigation, improved teamwork, increased trust, stronger relationships, and overall satisfaction for contractual parties. India is country with a planned economy, and its public sector construction industry operates by traditional contracting. Although infrastructure projects in India are infamous for delays and cost overruns, public sector organizations have improved significantly in the post-liberalization era, due to administrative reforms and global exposure.

In this context, this study employs a case study research methodology, and examines the cases of four public sector construction organizations working across various infrastructure sectors. It uses a mixed methods procedure combining qualitative and quantitative approaches to research for data collection and data analysis. First, it explores the extent to which relational contracting strategies are being used by these organizations to adopt more relational procurement procedures. The data is analyzed by pattern matching using cross-case analysis. It is found that many of the organizational strategies being used by the case organizations match relational contracting strategies. However, key partnering strategies for successful relational partnerships such as multiple criteria bid evaluation, incentive mechanisms, soft skill training, and team-building workshops are not employed in the case organizations.

Secondly, it investigates the critical factors for successful relational contracting from the perspective of front-line employees. Front line employees include Junior Engineers and Assistant Engineers who are responsible for day to day management of construction activities. A questionnaire survey was carried among front-line employees of the four case organizations to identify the critical success factors for relational partnership in public sector organizations from the perspective of front-line employees. Data was collected from 202 front line managers to measure 29 indicators. Structural equation modeling was used for data analysis. The critical factors identified are training, organizational change, commitment of top management, partner selection, and assessment process.

At last, it also develops a relational contracting framework for the management of positive change in public sector organizations. A second round of structured interviews was conducted with same 36 top management experts to validate the relational contracting framework. This framework integrates the success factors for change management in public sector organizations and relational contracting strategies. Micro-interlocutor analysis was used to analyze the qualitative data.