

From Conflict to Value

Constructively Managing Conflicts to Enable Value Co-creation
during the Front-end of Urban Redevelopment Projects



Conflicts?



De spreidingswet gaat door, kan dat de formatie bemoeilijken?

NOS, 2024

Value?



Contents

1. Introduction
2. Theoretical background
3. Research method
4. Empirical research and findings
5. Discussion
6. Conclusion

01 | INTRODUCTION

Introduction



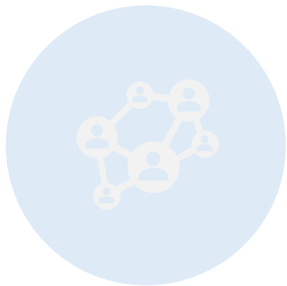
Background



Challenges in the construction industry.



Public-private development partnerships in urban (re)development.



Value co-creation.



Conflicts emerge

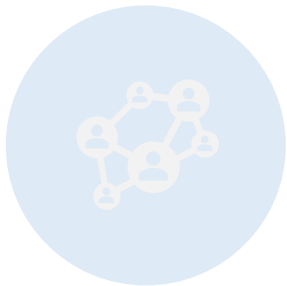
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Conflict emerge

Problem statement

However, in what ways real estate developers manage conflicts constructively during the co-creation of value propositions in the public-private interdependence is less known. There is a significant research gap in the connections between the processes of co-creating value propositions and managing emerging conflicts.

What are these emerging conflicts?



How many parking places?



Building heights



Sustainability requirements



% soc., mid., free sector housing

Research question

“How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?”

Sub-questions

1. What theories are known about value co-creation and conflict management in construction project management?
2. What are typical conflicts that arise between developers and municipalities in the value-co-creation process of urban redevelopment projects and how do they handle these conflicts?
3. What are the underlying key factors that influence conflict handling between developers and municipalities during the front-end of urban redevelopment projects?
4. What strategies (or competencies) developers use to constructively manage conflicts and enable the co-creation of value propositions?

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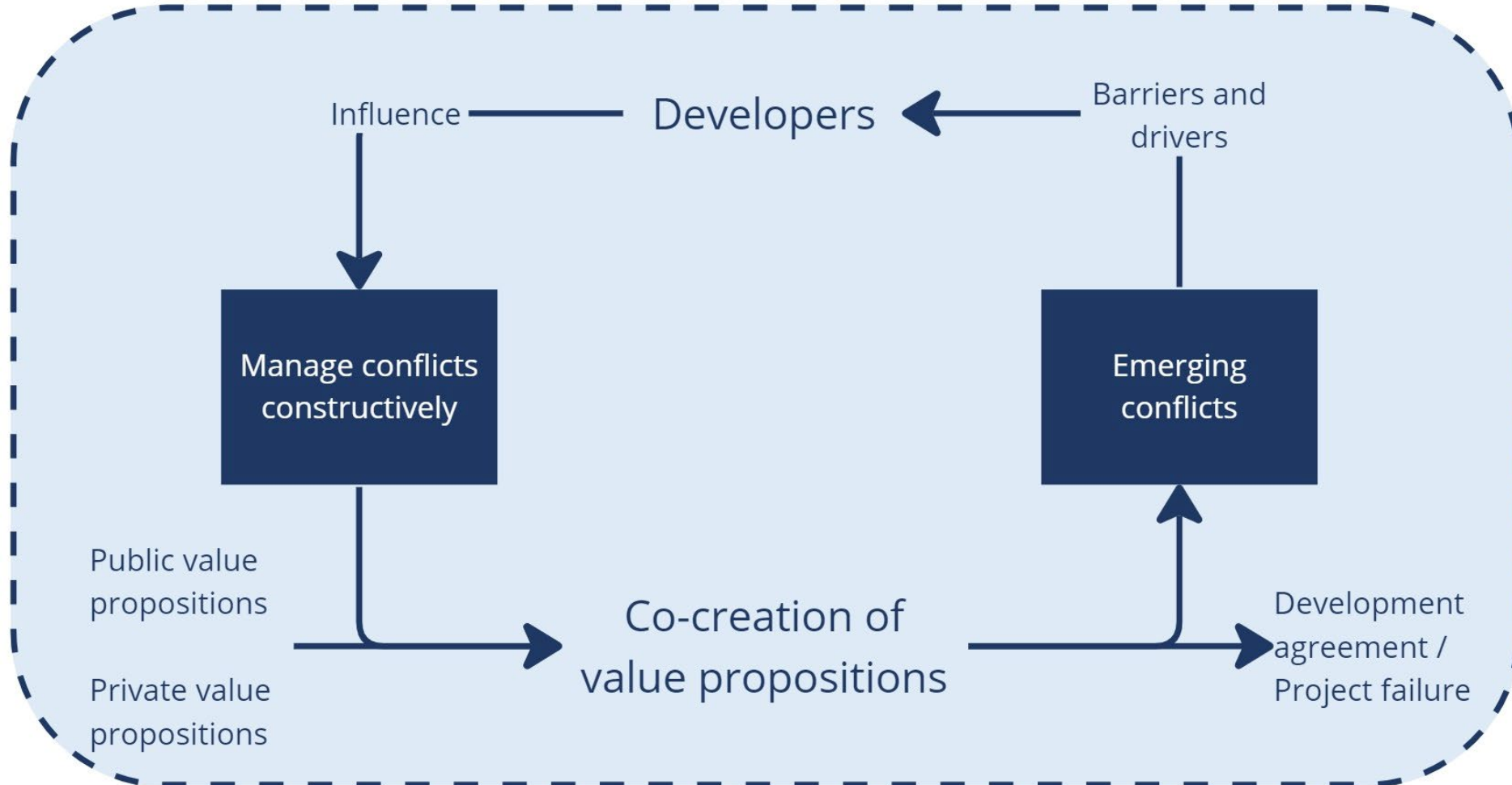
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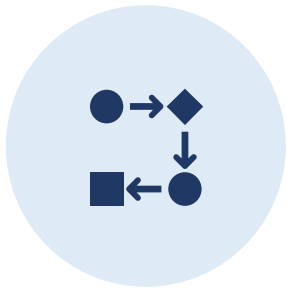
02 | THEORETICAL BACKGROUND

Conceptual framework

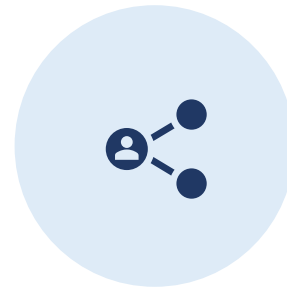
Constructive Conflict Management for Value Co-Creation in Urban Redevelopment Projects



Value co-creation



Process and outcome.

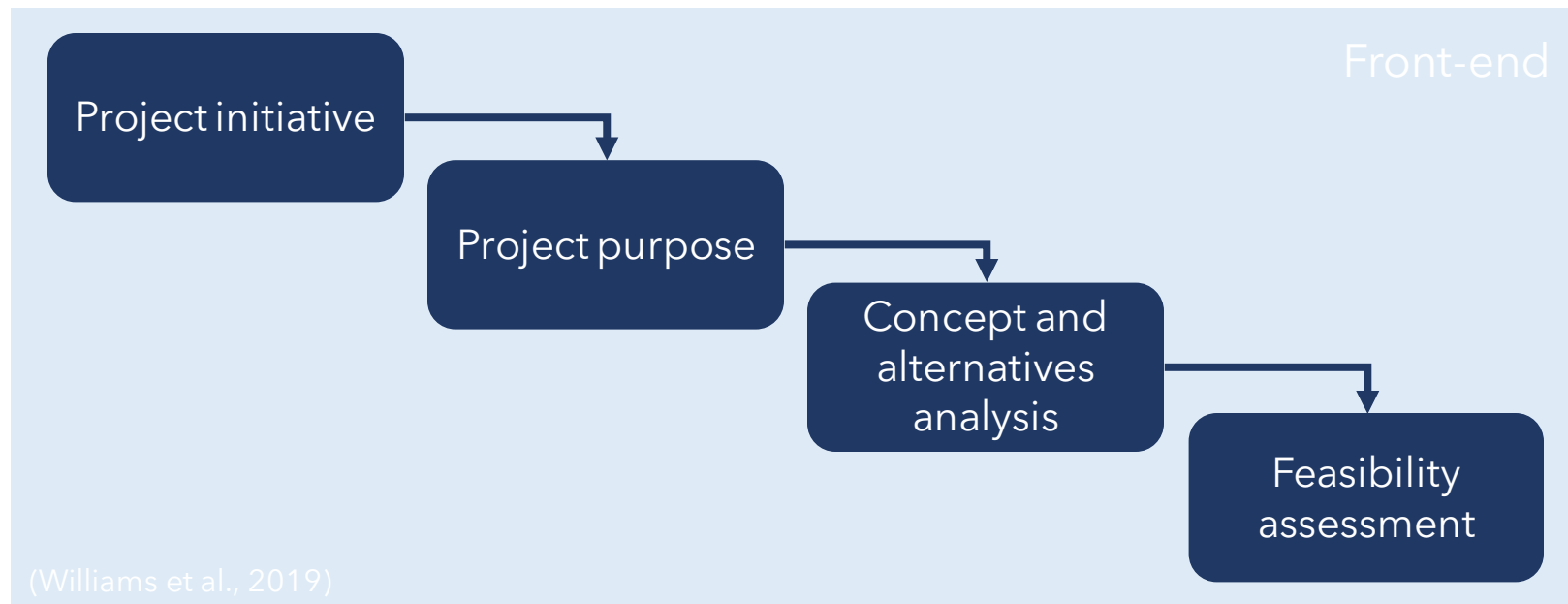


Co-creation of value propositions.

Value co-creation

Front-end value co-creation.

- Project definition.
- Co-creating value propositions.
- Decision-making.



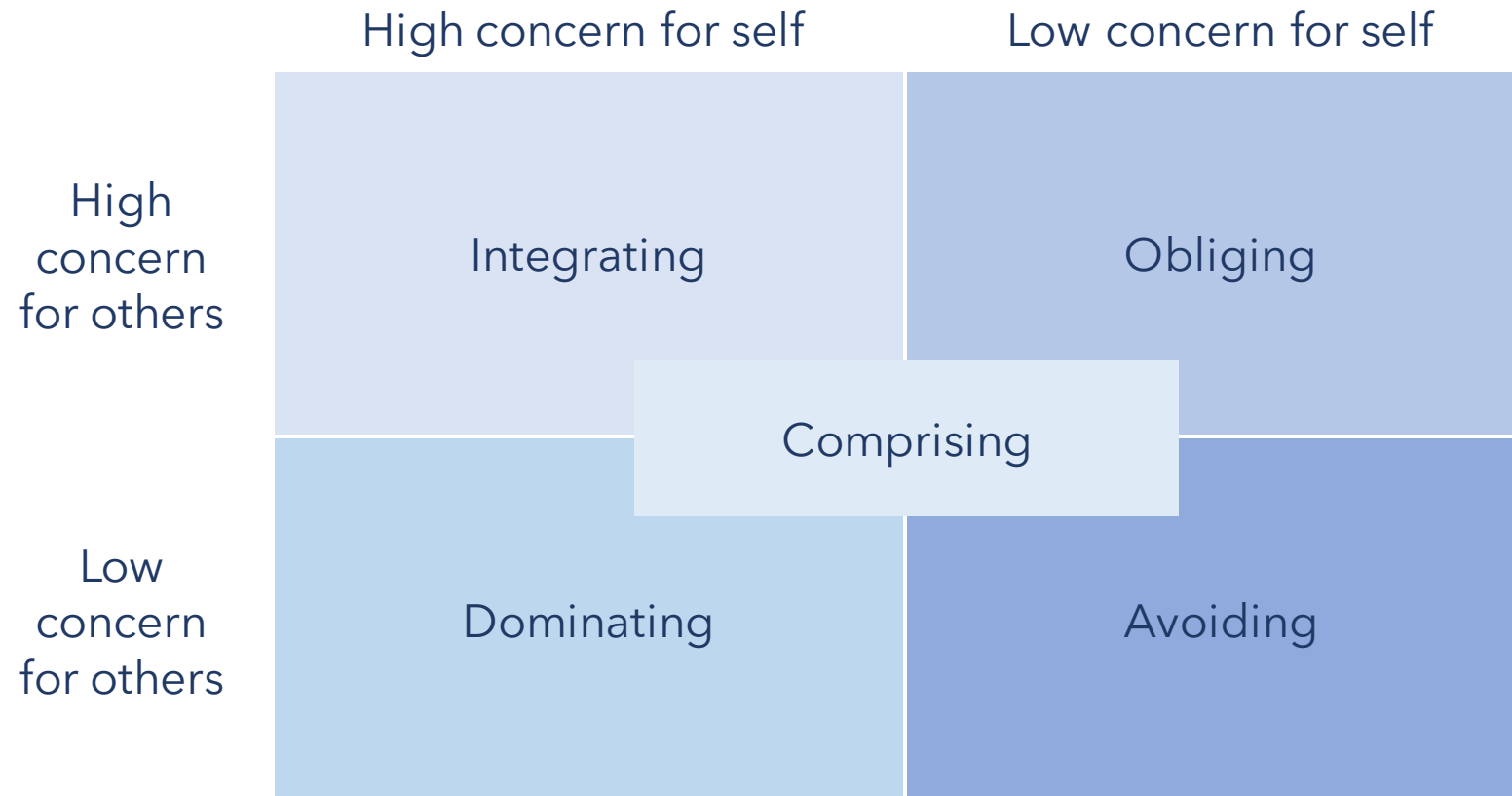
Conflict management

Conflict resolution.

- Dysfunctional conflicts → functional conflicts.
- Source of creativity and innovation.

Conflict management

Conflict handling styles.



(Rahim, 1983)

Conflict management

Proactive conflict management.

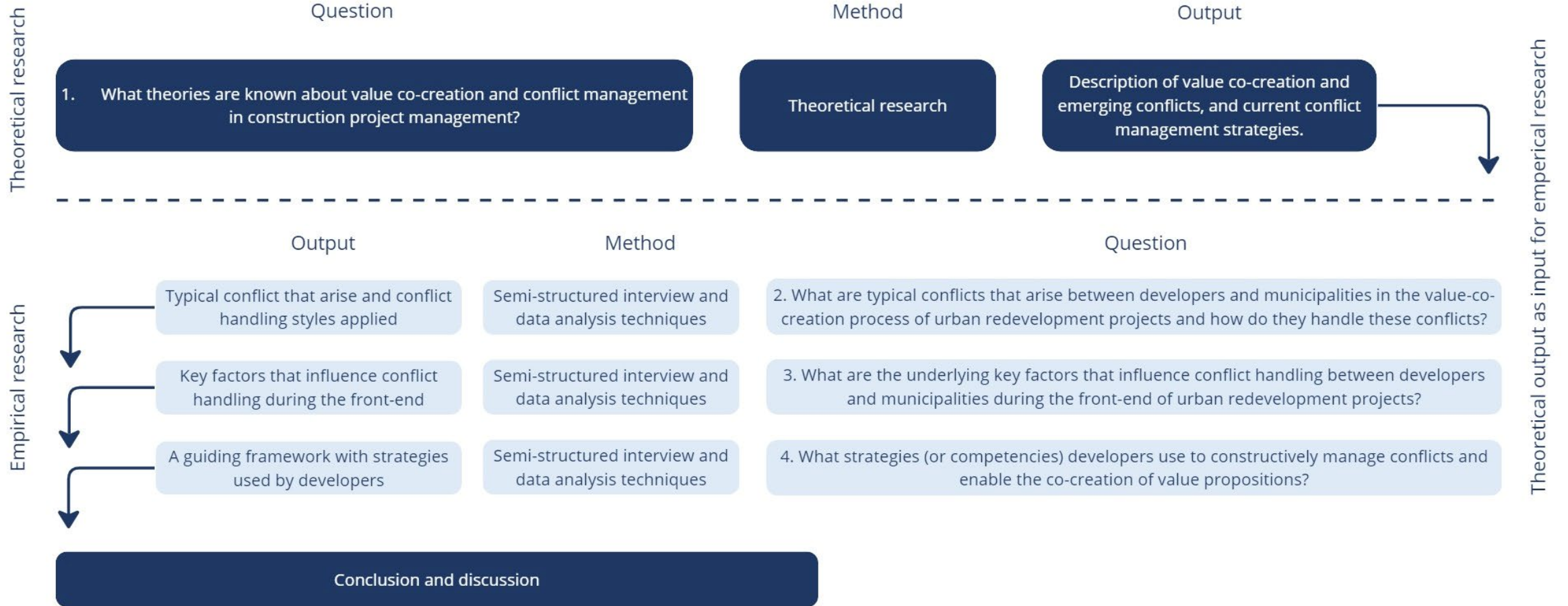
- Prevent (dysfunctional) conflicts from emerging.

And why constructively?

- You need each other → Interdependent relationship

03 | RESEARCH METHOD

Research design



Empirical research



Data analysis

In-case analysis



Cross-case analysis

- Patterns
- Commonalities
- Differences



04 | EMPIRICAL RESEARCH AND FINDINGS

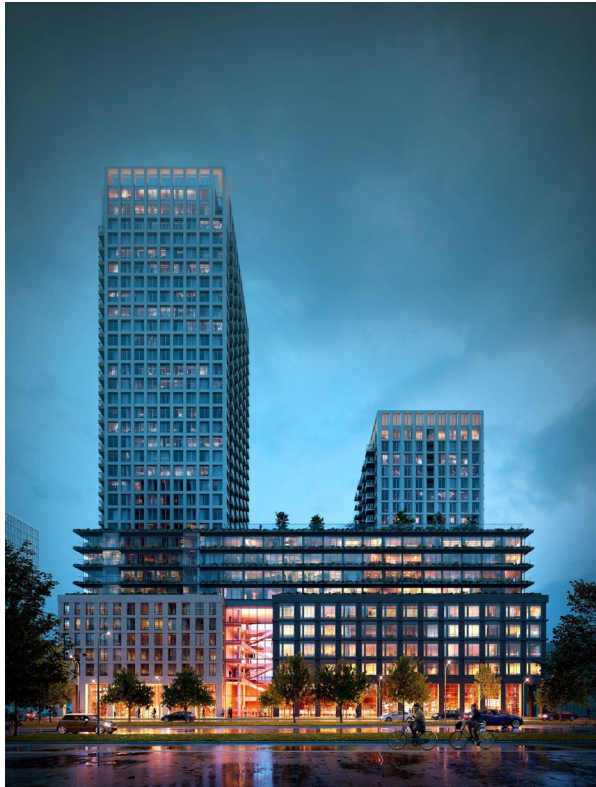
Case description

An aerial photograph of the Binckhorst urban redevelopment project in Delft, Netherlands. The image shows a dense urban area with a mix of old and new buildings. A canal runs through the center, and a highway is visible on the right. The sky is clear and blue.

Binckhorst

- Urban redevelopment
- 5000 dwellings
- Mixed used area
- Omgevingsplan pilot

Case description



Case A



Case B



Case C



Case D

Value propositions

Developers

- Feasibility of their business case
- Obtaining an environmental permit
- Start construction and project completion
- Satisfy their stakeholders

Municipality

- Compliance with procedures and regulations
- Mix in functions
- Completion of the projects (new provisions)

Value propositions

- Developers align their values on municipal requirements
- Alignment with the environmental plan
- Transform social and environmental value into economic value

Emerging conflicts



Case A



Case B

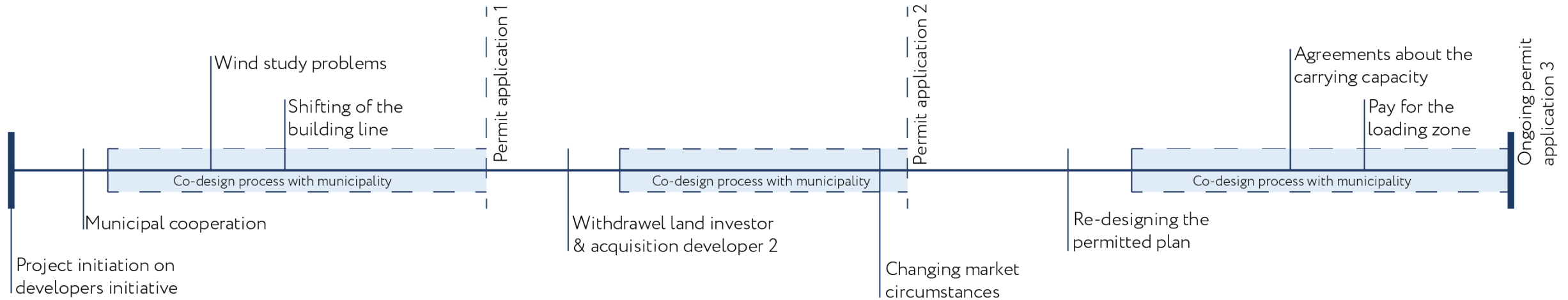


Case C



Case D

Emerging conflicts



"At one point the land investors said, they had spent 3.5 million, now it's enough. And they withdrew."

"We think this developer can still be a bit cunning, so that is a lesson you should always take into account."

"We already knew that we have to spend an extra 25 million on that basement."

Emerging conflicts



Case A



Case B



Case C



Case D

Emerging conflicts

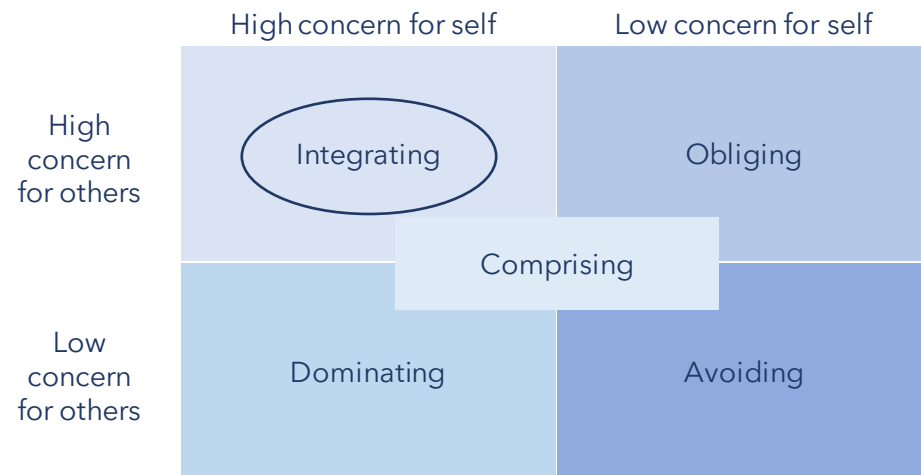
Odor circle from the asphalt plant

- Remain in the area
- New inspections
- Consequences for almost 2000 dwellings
- Initially resistance
- Asphalt plant bought out

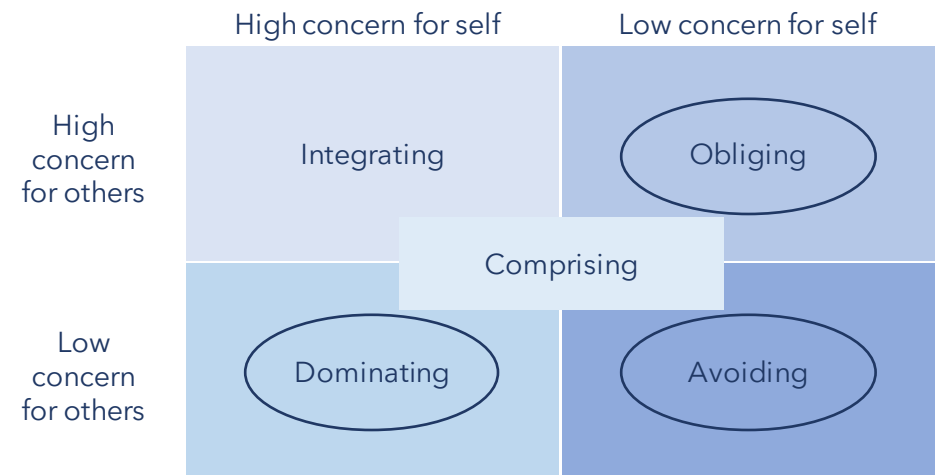
“What I still find very remarkable is that we have never been asked as market parties. What is it worth to you?”

Conflict handling

- Integrating styles are used most
- Integrating style challenges



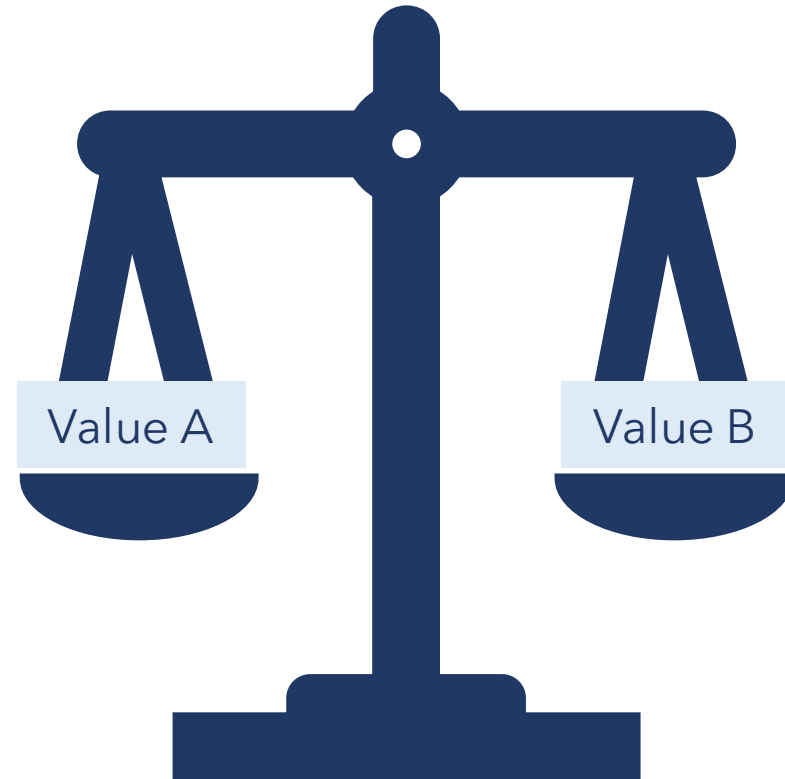
VS.



Conflict handling

Conflict handling styles

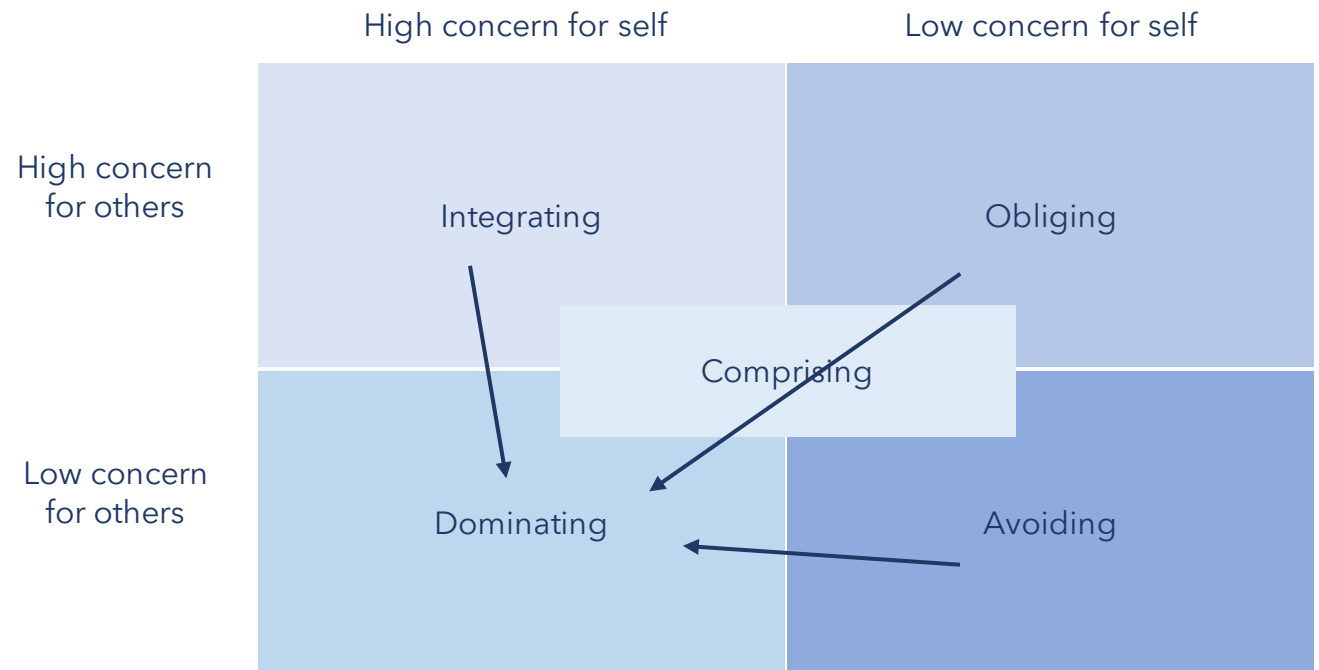
- Value balance
- Give up on one
- Gain or safeguard other's



Conflict handling

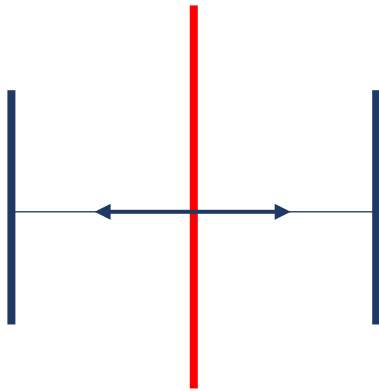
Conflict handling styles

- Forced to apply a conflict handling style

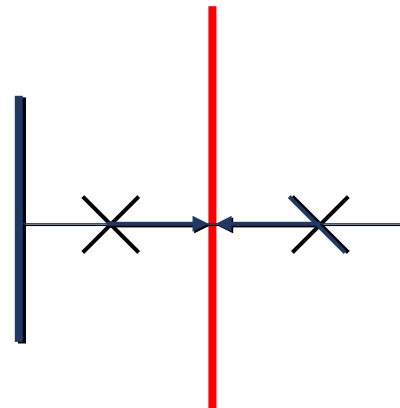


Influence of emerging conflicts on value propositions

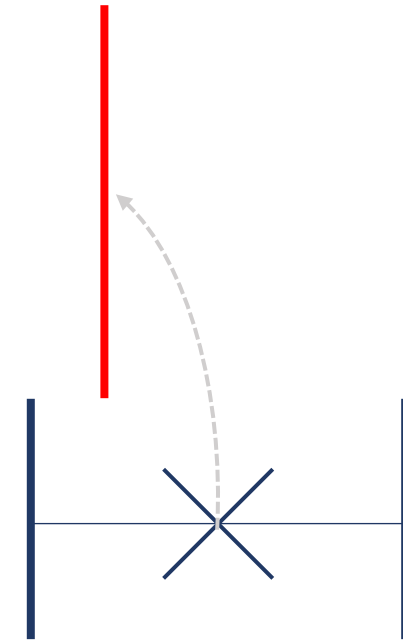
Emerging conflicts influence value propositions



Move red line



Not move red line



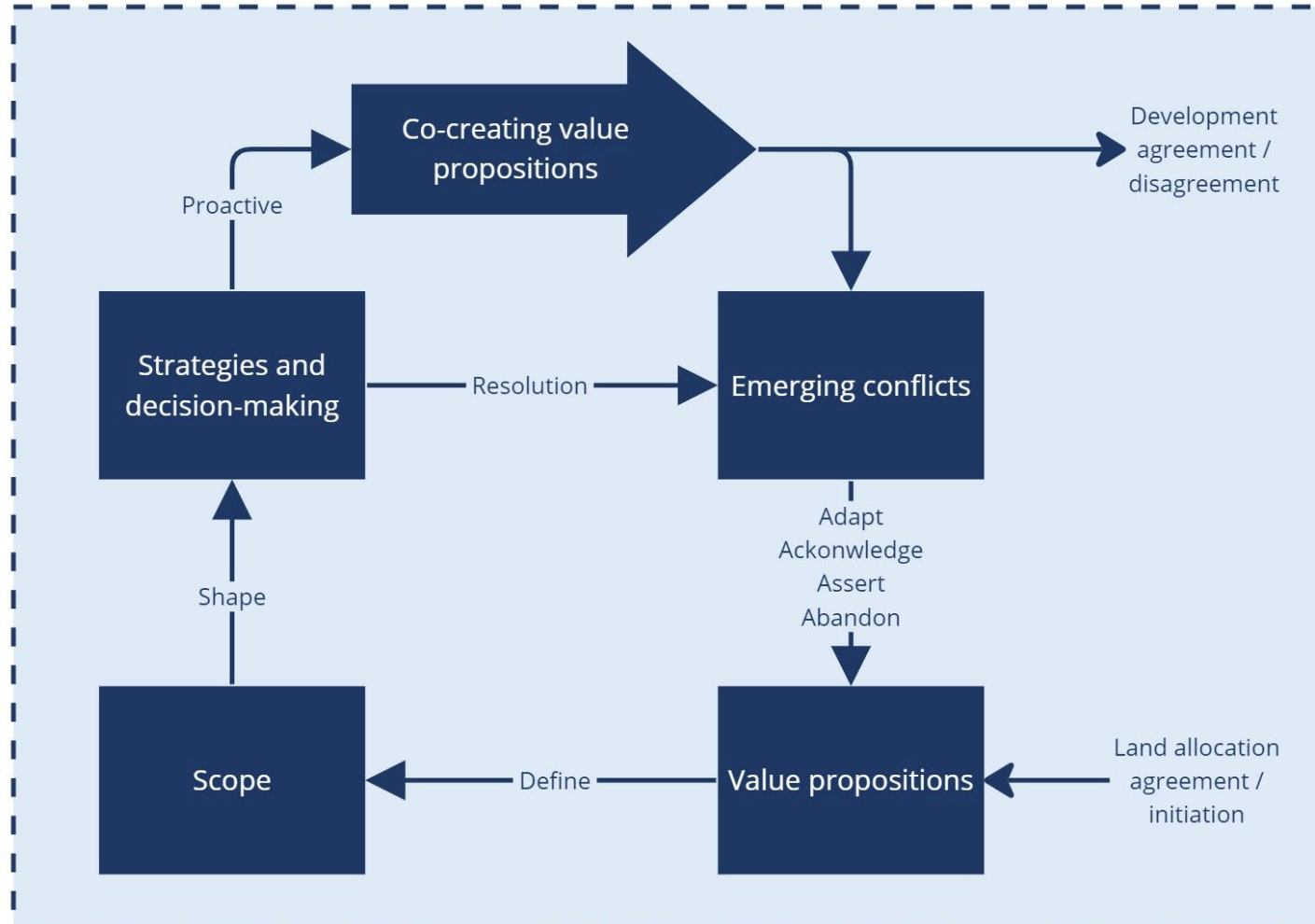
Remove red line

Influence of emerging conflicts on value propositions

The four modifications made to value propositions



Influence of emerging conflicts on value propositions



Constructive conflict management strategies

Ten strategies were identified during the interviews

Communication as the cornerstone for constructive conflict management.

- Goals and expectation setting
- Inter-actor understanding
- Transparency in interest

Relationship building.

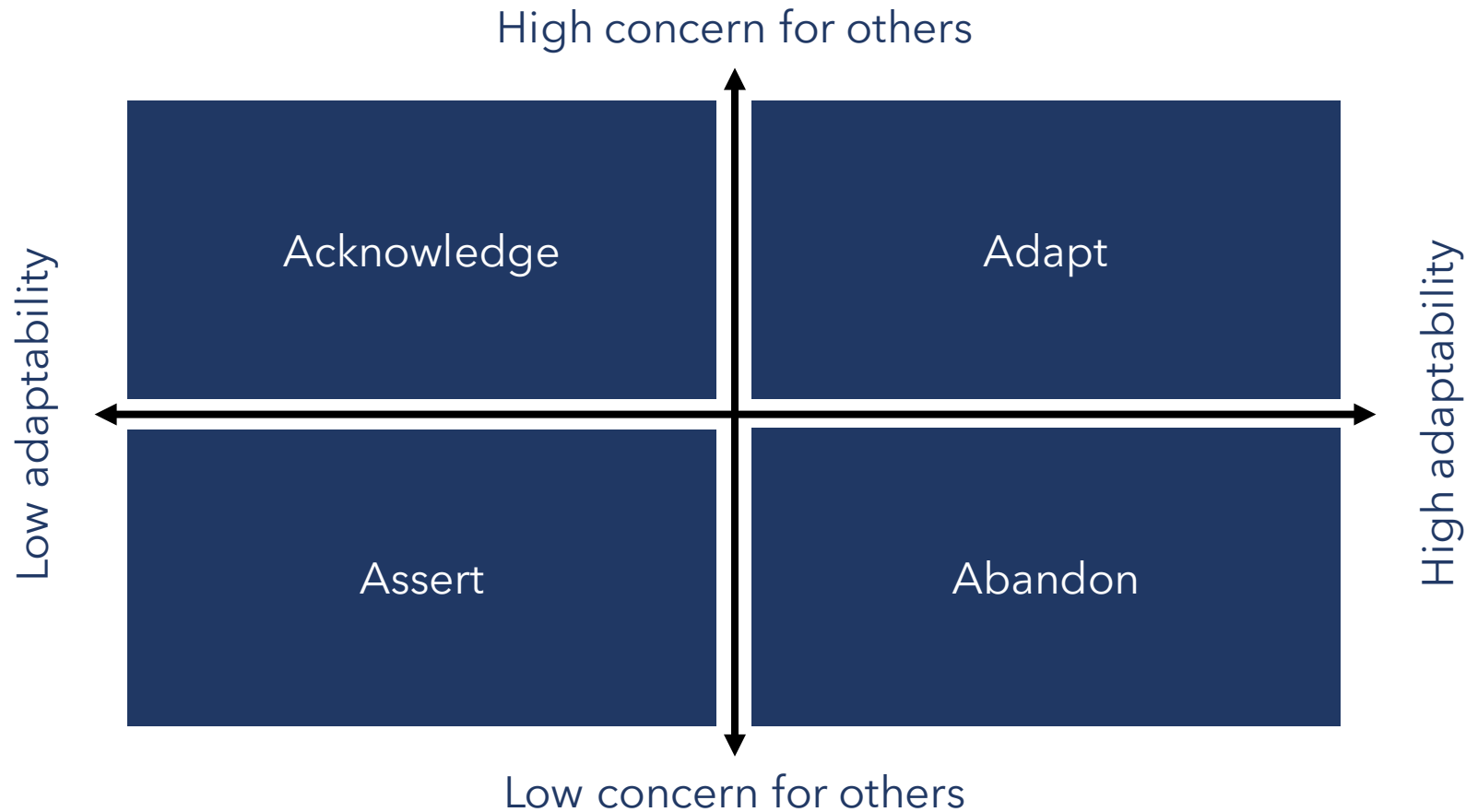
- Building a good relationship with their counterpart.

05 | DISCUSSION

Underlying factor that influence conflict handling

- Lack of understanding
- Power dynamics
- External factors
- Emerging conflicts modify value propositions
 - The four A's model

Underlying factor that influence conflict handling



Front-end



Fuzzy process



No straight path



Project specific conditions



External factors

Limitations and reliability

- Contextual dynamics can form the results.
- In the context of the new planning act.
- The perspective of other actors involved.
- Data collection depends on participant cooperation and openness.

06 | CONCLUSION

Conclusion

How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?

Conclusion

How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?

1. Understanding the dynamics of emerging conflicts on co-creating value propositions.
 - A. Adapt
 - B. Acknowledge
 - C. Assert
 - D. Abandon

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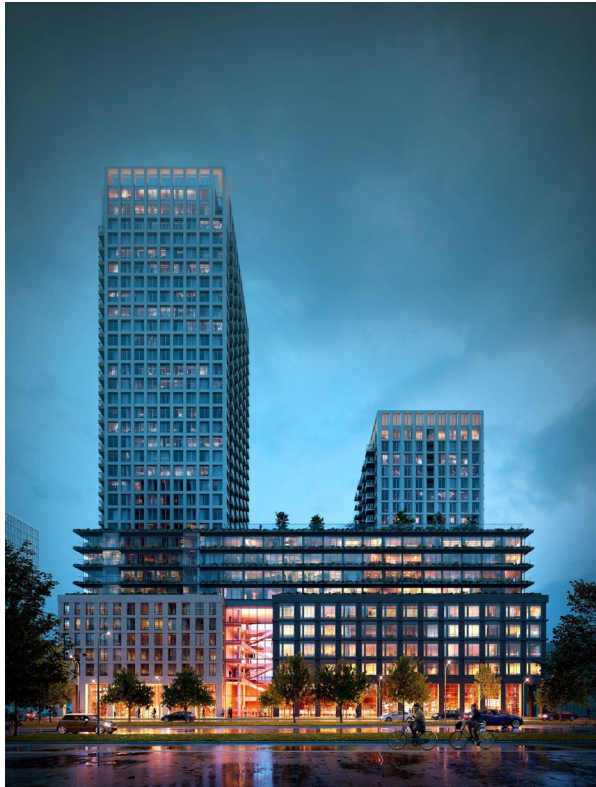
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 - A. Adapt
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2. Proactively steering on a good project environment.
 - A. Clear and consequent communication
 - B. Goals and expectation setting
 - C. Relationship building

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1. Understanding the dynamics of emerging conflicts on co-creating value propositions.
 - A. Adapt
 - B. Acknowledge
 - C. Assert
 - D. Abandon
2. Proactively steering on a good project environment.
 - A. Clear and consequent communication
 - B. Goals and expectation setting
 - C. Relationship building
3. Utilise appropriate conflict handling styles
 - A. High concern for self and others being most conducive
 - B. Trade-offs

Why is this important?



Case A



Case B



Case C



Case D

Why is this important?



Case A



Case B



Case C



Case D

Recommendation

Practice

- Proactive approach
- Make interdependencies and expectations explicit
- Goals and expectation setting
- Relationship building
- Trade-offs are sometimes necessary

Research

- Comparative case studies how emerging conflicts and value propositions influence decision-making
- Influence of power dynamics on conflict resolution
- Perspective of other stakeholders involved
- Implications of the new environmental act

Recommendation

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So, what are we going to eat?

QUESTIONS?

Additional slides

Constructive conflict management strategies

Ten strategies were identified during the interviews:

- Communication
- Collaboration
- Problem solving
- Understanding
- Transparency
- Early involvement
- Goals and expectations setting
- Relationship building
- Clear agreements
- Risk identification and mitigation

