

# Factors affecting effectiveness and efficiency of analyzing stakeholders' needs at the briefing stage of public private partnership projects

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## Abstract

The briefing stage is of utmost importance to public private partnership (PPP) projects as it conveys the major message regarding what stakeholders need. However, stakeholders' needs are not often stated clearly at the briefing stage. In considering this, the current paper aimed at analyzing the key stakeholders' needs that should be known by project participants. Eighteen factors related to stakeholders' needs were identified based on literature and interviews. The importance of these factors was rated using a questionnaire survey in Hong Kong. Also, it was expected that some background variables should be taken into account when rating these factors. Therefore, other than using simple rating methods, a custom-made weighted ranking method was developed, which could enable an estimation of the weighted importance of stakeholder-related factors. In this research, four background variables were identified and their effects on the aspects such as type and nature of a PPP project, role in a PPP project, and experience working in a PPP project were examined. In order to group the factors, an exploratory factor analysis was conducted and four dimensions were extracted. The relationship of these dimensions with the four background variables were then tested by means of either *t*-test or ANOVA. Results indicate that the four background variables were important in ranking the aspects. After incorporating the effect of the four background variables, the weighted importance of the 18 factors was analyzed with the weighted ranking method. Finally, discussion about the rank order of the factors is provided.

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**Keywords:** Critical factors; Briefing stage; Public private partnership; Stakeholder; Construction management; Factor analysis

## 1. Introduction

Public private partnership (PPP) is widely used in the construction industry worldwide, and was studied by many researchers. One of the specific characteristics of PPP projects is that they have more stakeholders than other types of projects (Tang et al., 2010).

Construction briefing is the process by which a client informs others of his or her needs, aspirations and desires, either formally or informally, while a brief is a formal document which sets out a client's requirements in detail. The meetings at the briefing stage

are the first time that key stakeholders meet each other and express clear requirements. Good stakeholder relationships will benefit the process of briefing while bad stakeholder relationships will hinder it (Yang et al., 2011). So this study is conducted to identify and examine the critical factors which relate stakeholders that affect the effectiveness and efficiency of briefing in PPP projects.

The paper starts with a description of the background of PPP and briefing stage, especially concerning the stakeholder aspect. Then the rationale behind the design of a questionnaire survey is explained. This collected the public sector's opinions to identify the critical factors of the briefing stage in PPP projects. The section of Factor analysis presents the examination of how background variables may affect the critical factors. A mathematical model was developed to rank the factors in order to identify their importance level. At the end of the paper, the Conclusions are summarized, and suggestions given to both

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public and private sectors to improve the briefing stage concerning the stakeholder aspect.

## 2. Briefing stage and stakeholders in PPP projects

As a term commonly used in Hong Kong, briefing is the process to define and articulate client requirements for a construction project. Significant decisions are also made in this process. Delivery of construction projects and effectiveness to achieve stated objectives are critically influenced by briefing, so it is important to get it right. In the PPP project, the briefing defines the scope of the project and its relationship with the institutions' other activities. Normally, the briefing session in PPP projects is set for approximately halfway through the bid preparation period. The situation for stakeholders in PPP projects is more complicated than the situation in conventional projects. Several aspects about stakeholders, for example, the relationship between organizations within the public and private sectors, experiences of doing PPP projects, and so on, are perceived to be crucial to the success of PPP projects because poor stakeholder management would easily lead to misunderstanding and conflict (Aaltonen, 2011). Therefore, the research presented in this paper has mainly focused on exploring what factors influence stakeholder aspects in the briefing stage.

Some aspects of stakeholders in PPP projects have already been widely studied by researchers. For example, by conducting an industry-wide survey study, Chan et al. (2003), found that the most significant benefits obtained from the use of partnering in PPP projects were 'improved relationships among project participants' and 'improved communication among project participants'. Consoli (2006) found through interviews that various needs of stakeholders, contractual arrangements, and different philosophical standpoints created friction between the involved parties. Apparently, friction is the major cause of poor relationships.

Through a Malaysian case study, Abdul-Aziz (2001) claimed that once privatization has taken place, re-involvement of the public sector should be avoided as much as possible, because of the latter's lack of expert experience and possible social impact of the project. This is particularly relevant in the case of the injection of new funds.

Researchers have also related the relationship issue to contractor selection. For choosing suitable contractors, researchers have not only suggested benchmarking the 'best' selection practices, but have also emphasized 'innovative' contractor selection approaches to be used by large public clients, in which the relationship issue is always regarded as a key criterion. For example, Palaneeswaran and Kumaraswamy (2000a, 2000b) made a comparative overview to formulate a 'cooperative' and 'non-competitive' conceptual benchmarking model to identify the core aspects for selecting a suitable bidder in order to achieve the best 'value for money'.

The success factors of how to create win–win relations were studied, since 'a fair deal' is what project parties should achieve. The strengths of both successful approaches and those lessons learned from less successful or abortive projects were identified. For example, Zhang (2004a, 2004b) carried out a knowledge-mining process to draw experiences and lessons learned from international PPP practices and to refine experiential and expert knowledge underlying the subconscious decision-making process in the field of project financing. He developed five main critical success factors (CSFs) (favorable investment environment, economic viability, reliable concessionaire consortium with strong technical strength, sound financial package, and appropriate risk allocation via reliable contractual arrangements) for a win–win relationship, each of which included a number of successful sub-factors.

From the above literature, 18 factors which may affect stakeholder relationships in PPP project were found. For example, the Construction Industry Board (1997) summarized that trusting relationships among stakeholders were important to the briefing stage. Blyth and Worthington (2001) mentioned that clear and comprehensive communication was a key aspect

Table 1  
Stakeholder-related factors of briefing in PPP projects.

Factors	Explanations
Experience of the client	The client should have related experience of briefing.
Clear management structure	The client needs a clear management organization structure for briefing.
Knowledge of client's responsibility	Knowledge of the client's responsibility is needed.
Skillful guidance and advice from project manager	Project manager should give appropriate guidance and advice during briefing.
Holding workshops for stakeholders	Workshops for stakeholders should be held regularly.
Good facilitation	Good facilitation of briefing should be given to stakeholders.
Selection of briefing team	Briefing team needs proper participant selection.
Clarity of roles of stakeholders	Roles of stakeholders should be clarified clearly.
Sufficient consultation with stakeholders	Briefing needs sufficient consultation with stakeholders.
Experience of stakeholder group	Stakeholders' experience of attending briefing should be considered.
Balance of the needs/requirements of different stakeholders	Needs/requirements of different stakeholders need to be balanced.
Knowledge of consultants	Knowledge of consultants should be considered.
Knowledge of statutory and lease control of the project	Knowledge of statutory and concession period control of the project are needed in briefing.
Team commitment	Team commitment should be clear.
Honesty	Honesty among stakeholders is critical for briefing.
Openness and trust	Openness and trust should be built among stakeholders.
Open and effective communication	Briefing needs open and effective communication.
Agreement of brief by all relevant parties	Agreement on the brief should be obtained among all relevant parties.

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