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Evaluating the level of stakeholder involvement during the project planning processes of building projects

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Abstract

The purpose of this study is to examine the current level of stakeholder involvement during the project's planning process. Stakeholders often provide the needed resources and have the ability to control the interaction and resource flows in the network. They also ultimately have strong impact on an organisation's survival, and therefore appropriate management and involvement of key stakeholders should be an important part of any project management plan.

A series of literature reviews was conducted to identify and categorise significant phases involved in the planning. For data collection, a questionnaire survey was designed and distributed amongst nearly 200 companies who were involved in the residential building sector in Australia. Results of the analysis demonstrate the engagement levels of the four stakeholder groups involved in the planning process and establish a basis for further stakeholder involvement improvement.

Keywords: Stakeholder involvement; Planning process; Building projects

1. Introduction

Many stakeholders, individuals and groups are involved in the provision and delivery of construction projects and each has their own role, requirements and objectives. So, because stakeholders of construction projects are numerous and different, this introduces a level of complexity to the concept of stakeholder involvement (SI) within the industry (Bal et al., 2013). However, depending on the type of the project being undertaken and its specific requirements, only certain groups may need to get fully involved in all phases of a project.

To meet the differing demands of different stakeholder groups, and in order to increase the effectiveness and efficiency of the decisions that are made during the construction project lifecycle, project managers need to develop comprehensive stakeholder involvement plans (Saghatforoush et al., 2010). Previous research studies in the construction sector (Bal et al., 2013; Bosher et al., 2007; Olander and Landin, 2005a) highlight that stakeholder involvement is important in improving the effectiveness of project outcomes (Yang, 2010). The quality of a construction project is also largely dependent on the appropriate performance management of diverse stakeholders, especially contractors and consultants (Low Sui and Ke-Wei, 1996). This means that, if major parties of a contract are not committed to properly carrying out their responsibilities, it is likely to adversely affect the final project quality level.

Furthermore, the level of ability to impact the final project characteristics is at its highest at the beginning of the project and reduces as the project progresses. It is widely advocated in the project management and infrastructure project literature (IFC, 2007) that the project preparation and planning phase is

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the stage where stakeholders with various demands and objectives have the highest possibility to affect the project and its outcomes (Kolltveit and Grønhaug, 2004; Miller and Lessard, 2001). Improving effective stakeholder involvement, will not only help project stakeholders to efficiently collaborate with each other, it will also facilitate the possibility of a decrease in negative environmental impacts and increase the economic sustainability and quality of the project. However, no major studies have been undertaken to date to precisely examine how more effective stakeholder involvement can be facilitated to contribute to the ultimate delivery of construction building projects. On the other hand, a significant step to be taken to facilitate improved stakeholder involvements to determine the current levels of stakeholder involvement since according to Yin and Heald (1975), it is essential to evaluate an existing provision within the main research area before establishing a framework. This research therefore focuses on assessing and evaluating the extent to which key stakeholders are currently involved within the planning processes of residential building projects.

This paper starts with a discussion on the elements of project success (Section 2) and stakeholder management in the construction industry (Section 3). Section 4 evaluates the influences of project participants on project quality outcomes and clarifies the relationship between stakeholder involvement in different phases of the project life cycle (PLC) and project quality. Section 5 then discusses the significance of the initial and planning stages in the PLC. Following that, Section 6 describes the methodology and data collection process. Data analysis and findings are then presented in Section 7. Based on the analysis adopted, Section 8 discusses the findings and clarifies the relationship between the findings and the research question. Section 9 outlines a summary of the major findings, describes the significance of the research and its theoretical and practical implications and makes recommendations for future research projects.

2. Project success

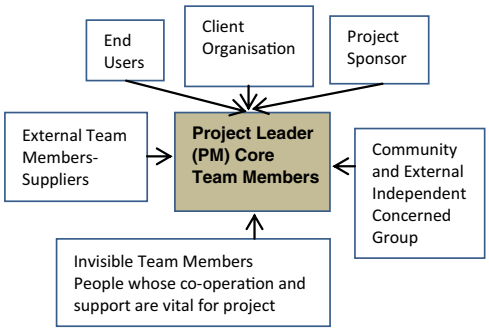
Success has always been the ultimate purpose of each activity of a project including construction and building projects (Yu et al., 2006). Project success has been extensively discussed in the construction and project management literature, however it is not easy for a variety of authors to get to a full agreement regarding project success criteria (LU et al., 2005). Most studies have focused on the scope of project success which means the way to measure success of project and factors affecting project success. Westerveld (2003) states that one of the most common ways of measuring project success is the well-known iron triangle of cost, time and required quality. Some studies have extended project success criteria into new aspects, such as stakeholder's participation and satisfaction, customer's benefit and upcoming prospective to organisation (Shenhar et al., 2001). Morris and Hough (1986) applied a number of concepts to measure project success such as: project function, project management, and contractor's business performance. Other researchers examine project success by make use of micro and macro criteria (Lim and Mohamed, 1999). In their examination micro criteria encompass time, cost, quality, performance and safety, and the macro criteria consist of project's actual benefit in the operation phase as well as their micro criteria. Baccarini (1999) identifies two components of project success as "project management success" and "product success". The project management success deals with the project process and primarily the successful achievement of project in terms of meeting cost, time and quality objectives whereas the product success focuses on the impacts of the ultimate product. The key point is that both of these success components must meet stakeholder's satisfaction where there is a link between their interest and these components (Baccarini, 1999). In addition, as stated by Atkin and Skitmore (2008), enhanced stakeholder involvement can help with managing their needs, decreasing unanticipated risk and reducing unconstructive actions or reactions that have possible impact on project success. According to the comprehensive statement by the project management body of knowledge (PMBOK) guide published by the Project Management Institute (PMI, 2013), project success criteria consist of the golden triangle (time, cost, quality) and key project stakeholder's satisfaction and their incorporation to the project.

Despite these arguments, the two elements of quality and stakeholder management, in many cases, have been regarded as two major success factors, and therefore are the focus of the research.

3. Stakeholders in the construction industry

The stakeholder theory concept was initially developed from academic research being undertaken in the US in the 1960s that defined stakeholders as those groups having high enough impact in an organisation to cause it to stop existing without their (the stakeholders) support (Li et al., 2013; Stoney and Winstanley, 2001). Later, Freeman (1984, 52) extended this definition and described "a stakeholder in an organisation" as "any group or individual who can affect or is affected by the achievement of the organisation's objectives". A helpful illustration by Walker (2003) shown in Fig. 1, provides a widely accepted mapping of project's main stakeholders:

Amongst the most important aspects of the above 'map' are the inclusion of community and external independent concerned



Source:(Walker 2003)

Fig. 1. Stakeholder mapping.