



A review of stakeholder management performance attributes in construction projects

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Abstract

Construction stakeholder management (SM) engages a lot of attention in project management research domain and industry. This is because construction SM has attained poor industrial feat in the past decades. Hitherto, there is lack of an elaborative tool to manage SM performance in construction projects. Hence, this review fills the gap by presenting a conceptual model of SM performance attributes comprising performance objectives (POs), success factors (SFs) and performance indicators (PIs) that could be engaged to manage (i.e. benchmark, enhance, monitor, and measure) the performance of construction SM. The outcome will benefit professionals and researchers due to the flexibility of selecting a number of attributes that fit the nature, type and stage of projects in order to ensure effective management. It therefore provides a better means of measuring project success in the industry by objectively and subjectively evaluating the level of stakeholder and organisational satisfaction in construction project delivery.

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1. Introduction

The essence of stakeholders in construction project planning and implementation has been immensely acknowledged in research (e.g. Olander and Landin, 2005; Yang and Shen, 2015). The stakeholders are referred to as entities, having stakes in a project, or who can affect or be affected by project that the focal organisation implements in the fulfilment of its objectives (Freeman, 1984; Olander, 2007). As a result of the diversity in terms of profession, culture, educational level, gender, and spatial distance from project, these stakeholders often present a wide range of interests which are to be met through project delivery. These stakeholders can therefore have substantial influence on

projects outcomes. Project SM is expected to provide the project managers (PMs) with enough support to aid the selection of realistic options that will maximize the ultimate value of the project to the stakeholders (Cleland, 1999).

SM has attained great success in other sectors such as manufacturing, but on the contrary, the construction sector has a poor record (Loosemore, 2006). Specifically, there is lack of well-functioning strategies, plans, methods, or process that PMs can engage. The outcome of this is the use of random SM approach in the construction sector (Yang and Shen, 2015). This eventually ends up in project failure, which is a common phenomenon in the construction industry.

Diverse models have been developed for the measurement of the overall success of construction projects (e.g. Mladenovic et al., 2013). On the contrary, there is lack of a comprehensive system for managing the performance of construction SM. Considerably, Yang et al. (2010) developed a set of 15 critical success factors (CSFs) to be applied by PMs to ensure that

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stakeholders are effectively managed. However, these variables are inadequate for enhancing and measuring performance. For instance, CSFs only represent *what should be done* by PMs, but not *what set targets to meet* or *how indicators should be used to measure performance*. Thus, there will be the need to also use indicators to realize if the level of CSFs engaged is producing the desired results. This review is therefore focused on developing a conceptual model of SM performance attributes comprising performance objectives (POs), success factors (SFs) and performance indicators (PIs) that could be engaged to manage (i.e. benchmark, enhance, monitor, and measure) the performance of construction SM.

In the next section, discussions on stakeholder theory and the concept of stakeholder satisfaction in construction projects are presented. After the methodology, the POs, SFs and PIs of construction SM are also discussed. Then, discussion on the performance model is presented. Finally, conclusions are drawn on the results, and the practical implications are also described.

2. Stakeholder theory in brief

Freeman (1984) acknowledged that the concept of stakeholders emerged through an international memorandum in 1963 at the Stanford Research Institute. In a SM literature map, Elias et al. (2002) revealed that the stakeholder notion has since then been presented in four main domains: corporate planning, systems theory, corporate social responsibility and organisational theory. In his landmark strategic management book, Freeman (1984) defined stakeholders as “*those groups who can affect or is affected by the achievement of the firm's objectives*” (p. 49). This book is widely acknowledged for its groundbreaking effort in SM research and globally cited by many. Afterwards, new perspectives came to popularity where SM theory is discussed under descriptive, instrumental and normative approaches (Jones, 1995), stakeholder environment is viewed as dynamic rather than static (Freeman, 1984), and also stakeholder salience and typology has been explored (Mitchell et al., 1997). Subsequently, more empirical investigations in the construction field have been conducted based on the underlying theory and models (e.g. Olander and Landin, 2005, 2008; Yang et al., 2010, 2011).

3. Stakeholder satisfaction in construction projects

Stakeholder satisfaction can be described as the fulfilment of stakeholders' pre-project expectations in the actual performance which are measurable at different project stages (Li et al., 2013). In construction projects, stakeholder satisfaction has gained prominence in success measurement as a complement to the traditional determinants of cost, quality and time (Davis, 2016). This is important because most stakeholder groups occasionally attempt to influence the implementation of construction projects in line with their expectations (Olander and Landin, 2008). Leung et al. (2004) suggested that stakeholder satisfaction can be evaluated by setting an index system which comprises different critical satisfaction factors. They further stated that stakeholder satisfaction in construction projects is contingent on management mechanisms such as communication, participation and

commitment, instead of fulfilling specific goals (e.g. time, cost and quality). Generally, SM performance is reflected in the satisfaction that both the organisations and their stakeholders derive from project delivery.

Hitherto, diverse perspectives of what should be regarded as “construction project success” exist. In a considerable number of cases, the users become so satisfied with the project outcome to the extent that the inadequacies of the completion criterion are of little concern (Lim and Mohamed, 1999). For instance, the Sydney Opera House and Thames Barrier were considered successful by a section of stakeholders despite exceeding time and cost requirements. Contrarily, some stakeholders were dissatisfied because of operational deficiencies of the Heathrow Terminal 5 project even though time, cost and quality requirements were met (Morris and Hough, 1987; Davis, 2016). These examples amongst many indicate the extent of disagreeing perceptions of different stakeholder groups regarding success in construction project delivery. However, mutual stakeholder satisfaction has been shown to be a crucial indicator of construction project success.

4. Methodology

4.1. Retrieval of articles

The methodology of Yang et al. (2009) is similarly adopted in searching and selecting appropriate research outputs for this review. The research process is shown in the Fig. 1. The search was conducted initially in 8 top-tier journals that focus on publishing construction related papers. Seven of them have been empirically ranked by Chau (1997) to be amongst the top quality construction journals, and are therefore used as basis in many construction and engineering management research (e.g. Chan et al., 2004). These journals are; Construction Management and Economics, Journal of Construction Engineering and Management, Engineering Construction and Architectural Management, Journal of Management in Engineering, International Journal of Project Management, Automation in Construction, and Building Research and Information. In addition, the Project Management Journal was selected because of the high number of construction related papers that are published in it. Besides the journals, popular search engines were also selected to complement the search process. The search engines selected were Google Scholar, ABI/INFORM Complete via ProQuest, Scopus, and Web of Science. These selected domains have been widely applied in similar reviews (e.g. Yang et al., 2009). This ensured that adequate research outputs were captured for the review given that the individual databases have imposed limitations in returning publications from search.

4.2. Selection of appropriate articles

Even though there are other numerous interchangeable search terms identified in literature including *major participants* and *key players* (Littau et al., 2010), the basic search terms adopted to retrieve the research publications were “*stakeholder*”, “*project participants*”, and “*project environment*” (Yang et al., 2009). Some publications such as Leung et al. (2004) dealt extensively on

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