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Relationship quality and service quality between contractor and construction client

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ABSTRACT

Purpose

Existing studies demonstrate that contractors have not fully embraced the idea of forming relationships with their clients and providing superior service quality through improved project performance. Performance on projects has been poor and client contractor relationships have become adversarial as a result of the short term, profit orientated approach adopted by many construction firms. To improve client value and construction business sustainability, it is necessary that construction firms adopt a client- orientated approach to managing projects and this can be achieved through understanding the client's needs closely. In line with the foregoing, the aim of the current research is to investigate South African public sector construction client's perspectives on relationship quality between contractors and construction clients and their perceived shortcomings in service quality. Having this understanding will help contractors improve their service quality and their relationship with clients. This is likely to improve the competitiveness of contracting firms, thereby improving business sustainability.

Methodology/ Approach

A survey research design was adopted for this study. Adopting a semi-structured mailed questionnaire survey, 45 different construction client representatives, from 11 public sector organisations in South Africa were approached, out of which 10 client representatives of different roles and responsibilities responded (22% response rate). Public sector clients targeted were those who have mainly worked with contractors undertaking medium to large scale construction projects. The respondents incorporated project managers/ leaders and middle and senior management who have experience on construction projects. Initial contact was made telephonically and this was followed by the distribution of survey questionnaires through email.

Findings

Based on the responses from client representatives, the primary factors influencing relationship quality between client and contractor was found to be open and honest communication, followed by trust and fairness. The primary shortcoming in service quality was found to be competency, followed by a lack of open and honest communication. Competency related shortcomings incorporated the contractor's inability to manage resources, time and cost on projects. The findings have also revealed that a small percentage of public sector clients are aware of the problems in service quality and have started to consider alternative procurement approaches to offset performance related risks and consequently, improve contractor client relationship quality and service quality. However, some public sector clients still support traditional procurement approaches and others are not knowledgeable on how ongoing challenges in relationship quality and service quality may be mitigated though adopting appropriate procurement strategies.

Practical Implications

Client contractor relationships are likely to improve when there is open and honest communication at all times and where there is a level of trust between contractors and clients. Service quality is likely to improve if contractor competence issues are addressed to effect better service quality through improved project delivery. Contractors engaging in open and honest communication with their clients is also likely to improve the service quality of contractors. To effect change it is necessary for clients to consider alternative procurement approaches to achieve better service quality and client contractor relationships. The consultant's role becomes pivotal in ensuring quality service delivery and harmonious client contractor relationships.

Originality

This research adds to the limited studies in South Africa on the client's perspectives on relationship quality and service quality. It bridges a gap in the previous studies, which have not investigated public sector clients' views on relationship quality and service quality.

Keywords: Construction Industry, Construction Projects, Contractor Performance, Relationships, Service quality