

Improving construction clients' satisfaction level in Johannesburg, South Africa

Chike Eke ^a, Clinton Aigbavboa ^b, Wellington Thwala ^c

^{a,b,c} Department of Construction Management & Quantity Surveying, Faculty of Engineering and the Built Environment, University of Johannesburg, Doornfontein Campus, Johannesburg, South Africa.

^b Corresponding author: caigbavboa@uj.ac.za

© *Author(s)*

OIDA International Journal of Sustainable Development, Ontario International Development Agency, Canada

ISSN 1923-6654 (print) ISSN 1923-6662 (online) www.oidaijdsd.com

Also available at <http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html>

Abstract: This study presents the findings from a client satisfaction survey of private and public sector construction clients in Johannesburg, South Africa. The study was done in the city of Johannesburg, Gauteng Province. The aim of the study is to identify possible strategies that could be implemented for improving client satisfaction levels in the South African construction industry. A quantitative research method was adopted in this study. The data used for the study was derived from both primary and secondary sources. The primary data for the study was collected through a well-structured questionnaire survey while the secondary data was derived from the reviewed literature. Out of the 65 questionnaires sent out, 56 were received back which represent 86% response rate. Findings from the study revealed that most clients strongly agree that making use of a competent professional team when executing projects could result in better satisfaction levels, reducing contractual and variation claims.

Keywords: Satisfaction, construction, expectations, return on investment

Introduction

The assessment of client dissatisfaction in the South African construction industry has been looked into and it raises a great deal of concern. Kotler (1997:40) defines satisfaction as 'a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations'. Hence, client dissatisfaction is a direct expression that shows that the client's feeling about a particular project are of disappointment resulting from the outcome in relation to his or her expectations. Grosso et al. (2008:3) emphasized that construction is an economic regulator. This clearly makes a theory that construction activities within a certain country can be used to measure the economic strength of that particular country. Client dissatisfaction poses a serious threat to the sustainability of the South African building industry. In addition to this, Hanson (2006) raised an alarming point that investors have a large range of investment opportunities besides building development; hence it is crucial that service providers in the South African building industry should place a premium on client satisfaction and develop their competitiveness in order to attract prospective clients. Looking more into the researcher's topic, according to Nzekwe-Excel (2012:86), satisfaction requirements of project participants are now being considered as indicators for measuring the construction industry performance.

However, if satisfaction requirements are not met, then the construction industry performance will be clearly indicated as unsatisfactory. Previous studies on construction industry satisfaction have concentrated on assessing the topic from project participant's point of view. Thus, real factors causing client dissatisfaction and possible strategies for improving clients' satisfaction level is the aim of this study.

Strategies for improving construction client satisfaction levels

A research by Nkado and Mbachu (2006:8) revealed that there are three stages of client satisfaction in the procurement process: end of the development phase, the early part of the operation phase, and the 'harvest' and most crucial phase of the procurement process. Client dissatisfaction with any of the three stages is as a result of non-attainment of the satisfaction criteria operating at the given stage. The criterion underlying satisfaction at the end of the development phase is the achievement of time, quality and cost targets with satisfactory attitudes to service. The

criteria underlying satisfaction at the first part of the operation phase include meeting buyer/user requirements, satisfactory functional/in-use performance, and market attractiveness, which ensure quick disposal of the procured building (for speculative developers), or attracts rental/lease patronage (for portfolio investors). The criteria underlying satisfaction with the extent of fulfillment of investment objectives are returns on investment (in terms of profitability or capital growth), market share growth/competitive advantage, and enhancement of business processes (the latter criterion being the priority of owner-occupiers).

According to Adanan (2006:1) client satisfaction in the construction industry is how well a contractor meets the client's expectation. Construction clients are in agreement that contractors should undergo periodic skills development and training in vital areas in order to satisfy their clients. This clearly shows that if the contractor is not fully informed about client expectations according to the definition, then there is no possible way the contractor will be able to satisfy the client. In a nutshell, if the client's objectives are not taken into consideration by the construction team, there is no way client satisfaction levels will be improved. In other words, making use of a competent and reputable contractor could improve client satisfaction levels.

CIDB (2011) stated that value to clients is a very complex and often subjective issue, but it is recognized that quality of construction is a key component of perceived value to clients. "Lack of quality in construction is manifested in poor or non-sustainable workmanship, and unsafe structures, and in delays, cost overruns and disputes in construction contracts" (FIDIC).

Green and Lenard (1999) described a project on which the contractor and the client had a very close working relationship and how they both benefited from it and learnt from each other. A project's outcome is most greatly influenced at the upfront stage and this is where contractors should be encouraged to participate and contribute. Their input could be applied to enhance the quality of construction projects and therefore improve client satisfaction levels. Client satisfaction is a major determinant of project success and a fundamental issue for service providers who must constantly seek to improve their performance if they are to survive in the marketplace. Authors have indicated that construction companies must adhere to the principle of quality first, and insist on quality standards, with the core of artificial control and prevention, to provide more high quality, safe, suitable, and economic composite products (Alman, 1989; Smallwood and Rwelamila, 1998; Smallwood, 2000).

Hanson (2006:74) pointed out that the strong consensus among contractors on the prioritization of strategies for improving client satisfaction is significant and these strategies should be adopted by industry. Involving contractors at the initial critical stages of the construction project procurement process could add value to the project since, in this author's view; the benefit of their input diminishes the further into the process one progresses. There is almost a point of diminishing returns, whereby the opportunity to incorporate the contractors input on the building matters involved at the crucial initial stages of the project. The contractors' contribution to the project would have the greatest impact on the outcome if it occurred early on in the process. A project's outcome is most greatly influenced at the upfront stage and this is where contractors should be encouraged to participate and contribute. Their input could be applied to enhance the quality of construction projects and therefore improve client satisfaction levels. Client satisfaction is a major determinant of project success and a fundamental issue for service providers who must constantly seek to improve their performance if they are to survive in the marketplace. To fix troubled projects, owners/clients may need to strengthen their project management team by filling in gaps or bringing in different and more experienced people (PWC, 2013:22).

According to Cheng (2008:236), strategic decisions made by the client at different project stages have been found to have a significant impact on client satisfaction. Furthermore, advising service providers including contractors and consultants that having an improved understanding of the phenomenon of client satisfaction; and associated measurement criteria would help to improve their service quality, overall performance and to better satisfy their clients. Cheng (2008:224) further encourages service providers to devote more efforts into improving their performance on the attributes of service quality identified as having significant association with client satisfaction, particularly service delivery and communications with clients. Kashiwati (2002) suggested that performance specification should include owner's requirement, and the method of identifying the best performance. Improved service quality from service providers will positively underpin project performance and lead to heightened client satisfaction and perceived project success, which will benefit both clients (project needs satisfied) and their service providers (potentially repeated work from satisfied clients).

"Situations such as poor quality, time management, added cost in the project, client dissatisfaction, rework and defects, poor response to organizational and project changes that could engender poor performance should be prevented from occurring during project delivery in South African construction" (Emuze and Smallwood,

2011:929). This clearly shows that proper project management could yield better client satisfaction levels in the South African construction industry. Hanson (2006:19) highlighted that it would be crucial that construction management researchers and practitioners work together to improve client satisfaction.

Alexander (2011:85) stated that there is still a need for innovative research in the area of forecasting systems in project construction with regards to cost and time. There is still lacking of many aspects in forecasting methods implemented by today's Project Managers. In a challenging construction industry nowadays, to have accurate forecasting methods require an approach that would cater subjective data and consider experts' experience and knowledge. In order to improve contractors' managerial skills, there is need for continuous work-training programs for personnel in the construction industry to update their knowledge and be familiar with project management techniques and processes. Knowledge and better skills by the construction team will therefore yield better success results for most projects undertaken. This will in return minimize client dissatisfaction in the South African construction industry.

Methodology

A quantitative research method was adopted in this study. The data used for the study was derived from both primary and secondary sources. The primary data for the study was collected through a well-structured questionnaire survey while the secondary data was derived from the reviewed literature. Out of the 65 questionnaires sent out, 56 were received back which represent 86% response rate. According to Moser and Kalton (1971), if the return rate of any survey result is lower than 30–40%, the result of the survey could be considered as biased and of little value. Based on this, the 86% response rate was considered adequate for the analysis.

Mean Item Score (MIS)

A five point Likert scale was used to determine the causes of disputes in construction projects. From the reviewed literature, the adopted scale was as follows;

1. = Very dissatisfied
2. = Dissatisfied
3. = Unsure
4. = Satisfied
5. = Very satisfied

The five-point scale was transformed to mean item score (MIS) for each of the factors that cause disputes in construction projects. The indices were then used to determine the rank of each item. The ranking made it possible to analyze the data collected from the questionnaires survey.

$$MIS = \frac{1n1 + 2n2 + 3n3 + 4n4 + 5n5}{\sum N}$$

Where;

n1 = Number of respondents for very dissatisfied;

n2 = Number of respondents for dissatisfied;

n3 = Number of respondents for unsure;

n4 = Number of respondents for satisfied;

n5 = Number of respondents for very satisfied;

N = Total number of respondents.

After mathematical computations, the criteria are then ranked in descending order of their mean item score (from the highest to the lowest).

Results and discussion

Demographical specifics

Findings from the 56 usable questionnaires revealed that 67.0% of the respondents were male while 33.0% were female; majority of the respondents 42.5% were in the age group of 20-30 years old while minority of the respondents 5.0% were in the age group of 51 years old and above. Further findings on the education qualification revealed that 50.0% of the respondents have Bachelor's Degree, 28.0% have Diploma while the least either have Matric Certificate (grade 12) 3.0% or other specify 3.0%. Findings on respondent's profession revealed that most construction clients are dominated by Quantity Surveyors 27.5% and Project Managers 27.5% respectively, other profession have 10.0% such as Civil Engineers, Designers, among others are the least. Furthermore, findings shows that 33.0% of the respondents had experience from 1-5 years, 30.0% had 6-10 years' experience, 30.0% had experience from 11-15 years, 8.0% had experience from 16-20 years, while 0% had more than 20 years' experience

in the construction industry. Findings relating to classification of construction clients revealed that most respondents 65.0% are public sector clients while 35.0% are private sector clients. In the aspect of the type of projects respondents have worked on, Refurbishments tops the chart with 27.5%, followed by Commercial office developments 22.5%, while Industrial developments, Mixed-used developments, and other developments were the least in the chart with 2.5% respectively. Also, Findings relating to the overall satisfaction level of the respondents in relation to the projects that they have worked on revealed that only 10.0% were very satisfied with the projects, 50.0% were satisfied, 30.0% were dissatisfied while 5.0% were both very dissatisfied and unsure respectively. The next sections present the result of the survey findings on the possible strategies for improving client satisfaction levels in the South Africa construction industry.

Possible strategies for improving client satisfaction levels

Table 1.0 indicated the possible strategies for improving client satisfaction level in the South Africa construction industry. The aim of the study is to identify possible strategies that could be implemented for improving client satisfaction levels in the South African construction industry. Findings revealed that majority of clients strongly agreed that making use of a competent professional team (R=1; MIS=4.70; SD=1.260), which clearly indicates that the dispersion is very wide. Clients also strongly agreed that they should set more realistic construction programs which could result in a better quality end product (R=2; MIS=4.23; SD=1.390). They strongly agreed also that contractors should undergo periodic skills development and training in vital areas such as occupational health and safety, value management, delivery, among others (R=3; MIS=4.23; SD=0.920), which indicates that most respondents had the same opinion in common.

Clients agreed that avoiding excessive cutting of professionals fees that could result in the provision of unsatisfactory service (R=11; MIS=3.58; SD=0.870) could also improve satisfaction levels. Moreover, clients also agreed to allow adequate time during pre- construction phase for articulation of clients' requirements, feasibility studies, design, planning and to involve contractor at initial and critical stages of project so as to obtain his/her input on how to meet clients' needs, (R=12; MIS=3.58; SD=1.100). However, involving the contractor at initial and critical stages of project so as to obtain his/her input on how to meet clients' needs (R=12; MIS=3.58; SD=1.080) had respondents narrowly spread as compared to allowing adequate time during pre-construction phase for articulation of clients' requirements, feasibility studies, design, and planning.

Findings from existing literature proposed that to help fix troubled projects, owners/clients may need to strengthen their project management team by filling in gaps or bringing in different and more experienced people (PWC, 2013:22). Findings from primary data revealed that clients strongly agree that making use of a competent professional team could, to any extent, improve client satisfaction levels. Authors also argued that the past performance of the contractor in terms of cost, time and quality was identified as the most important independent variable (Soetanto and Davis, 2004:25). Views expressed by clients also agreed that make use of a competent and reputable contractor could improve client satisfaction levels in South African construction projects. Bowen et al (2006:49) stressed out that in order to achieve successful project, a process of continuous improvement in the management of the construction project. This was in correlation with views expressed by construction clients as they agreed that contractors should undergo periodic skills development and training in vital areas. Kashiwari (2002) suggested that performance specification should include owner's requirement, and the method of identifying the best performance, of which views expressed by respondents agreed that client and his agents should articulate needs and requirements properly.

Green and Lenard (1999) described a project on which the contractor and the client had a very close working relationship and how they both benefited from it and learnt from each other. Hence, views expressed by clients in for this study revealed a strong level of agreement regarding involving contractor at initial and critical stages of project so as to obtain his/her input on how to meet clients' needs. Cheng (2008:224) further encourages service providers to devote more efforts into improving their performance on the attributes of service quality identified as having significant association with client satisfaction, particularly service delivery and communications with clients. In relation to the result of this study, clients agreed that contractors should be more proactive in addressing problems on site as this might improve client satisfaction levels on construction projects in South Africa. Authors have indicated that construction companies must adhere to the principle of quality first, and insist on quality standards, with the core of artificial control and prevention, to provide more high quality, safe, suitable, and economic composite products (Alman, 1989; Smallwood and Rwelamila, 1998; Smallwood, 2000). Views expressed by respondent's attained consensus as respondents agreed that contractors should put systems in place to ensure consistency and continuous improvement in quality.

Table 1.0: Possible strategies for improving client satisfaction levels

Strategies for Improvement	\bar{x}	σX	R
Make use of a competent professional team	4.70	1.260	1
Clients should set more realistic construction programs which could result in a better quality end product	4.23	1.390	2
Contractors should undergo periodic skills development and training in vital areas such as occupational health and safety, value management, delivery, among others	4.23	0.920	3
Make use of a competent and reputable contractor	4.13	1.020	4
Contractors should put systems in place to ensure consistency and continuous improvement in quality	4.10	0.840	5
Professionals should make sure that construction progress is not delayed by the late supply of information to the contractor	4.03	0.830	6
Avoid lowest tender syndrome; selection should be based on contractors ability to deliver	4.00	1.040	7
Eliminate fragmentation of services inherent in the traditional approach by adopting more appropriate procurement arrangement options	3.90	0.960	8
Contractors should be more proactive in addressing problems on site	3.88	0.910	9
Client and his agents should articulate needs and requirements properly and communicate these effectively to the project team	3.83	0.870	10
Avoid excessive cutting of professionals' fees that results in the provision of unsatisfactory service	3.58	0.870	11
Allow adequate time during pre- construction phase for articulation of clients' requirements, feasibility studies, design, and planning	3.58	1.100	12
Involve contractor at initial and critical stages of project so as to obtain his/her input on how to meet clients' needs	3.58	1.080	12

\bar{x} = Mean item score; σX = Standard deviation; R = Rank

Conclusion

Client dissatisfaction poses a serious threat to the sustainability of the South African building industry. Investors have a large range of investment opportunities besides building development; hence it is crucial that service providers in the South African building industry should place a premium of client satisfaction and develop their competitiveness in order to attract prospective clients. This study presents an investigation to improve client satisfaction level and the aim is to identify possible strategies that could be implemented for improving client satisfaction levels in the South African construction industry. Based on this, findings revealed that most clients

strongly agree that making use of a competent professional team when executing projects could result in better satisfaction levels, reducing contractual and variation claims.

References

- [1] Adanan, H.A. (2006). Client dissatisfaction on contractors' work performance. Malaysia. University of Technology Malaysia.
- [2] Alexander, T.Y. (2011). Assessment of cost and time impacts of public sector construction projects in Ghana: Masters of Business Administration. Kwame Nkrumah University of Science and Technology.
- [3] Cheng, J. (2008). The impact of strategic decisions on construction client satisfaction: An assessment framework.
- [4] CIDB. (2011). Guidelines for construction registration.
- [5] Emuze, F.A. & Smallwood, J.J. (2011) Improving project delivery in South African construction industry: rocs 27th Annual ARCOM Conference. Port Elizabeth: Nelson Mandela Metropolitan University.
- [6] FIDIC. (2014). Quality in Construction. www.fidic.org/node/751. Accessed July 20, 2014.
- [7] Hanson, D.N. (2006). Causes of client dissatisfaction in the South African building industry and ways of improvement: the contractors' perspective. Johannesburg: University of the Witwatersrand.
- [8] Kashiwai, D.T. (2002). The difficulty in Implementing Performance Specifications in Construction Industry. Paper submitted at the International Symposium of the Working Committee, CIB W92 (Procurement Systems).
- [9] Kotler, P. (1997). Marketing Management: Analysis, Planning, Implementations and Controls. New Jersey: Prentice Hall.
- [10] Moser, C. A. and G. Kalton (1971). "Survey methods in social investigation," UK, Heinemann Educational.
- [11] Nkado, R.N. & Mbachu, J.I.C. (2006). Investigations into Causes of Client Improvement Proceedings of the 1st International Conference of the CIB W107.
- [12] Nzekwe-Excel, C. (2012). Satisfaction assessment in construction projects. A conceptual framework. 2 (1), 86-106.
- [13] PWC. (2013). South African Construction: Highlighting trends in the South African construction industry.
- [14] Soetanto, R. & David, G. (2004). modelling client satisfaction levels: the impact of contractor performance. The Australian journal of construction economics and building. 2 (1), 13-27.