

ROLE OF STRATEGIC MANAGEMENT PRACTICES IN MITIGATING DELAYS IN CONSTRUCTION INDUSTRY IN KENYA: CASE STUDY OF MOMBASA COUNTY

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ABSTRACT

Various organizations have used project management techniques as a means of bridging the gap between failure and success in implementation of projects. As projects become increasingly complicated, delays arise in a more unpredictable manner. The initial motivation for this research is to explore a strategic ways to mitigate delays caused by complex changes in industry with ultimate goal of reducing delays and enhancing the overall project performance. Despite this increasing awareness of project management by organizations, projects are not completed in time. There are many factors that impede on successful project implementation in terms of time, cost and quality and unless these factors are properly mitigated, project implementation will continue to be a challenge. The main objective of this study was to investigate the role of strategic management practices in mitigating delays in project implementation in the construction sector and recommend mitigation strategies. Mombasa County was taken as a case study. The survey targeted the major construction projects in the Public sector in Mombasa County that were implemented between 2012 and 2014. This study targeted the 30 developers, 54 architects, 60 project managers, 25 construction contractors within Mombasa County. Simple random sampling was used for 30 developers, 54 architects and 25 construction contractors and random sampling for project managers. Secondary data was obtained from document analysis in contract agreements, contract management reports and payment documents. Primary data was obtained from questionnaire survey. Primary survey data was analyzed using SPSS-21. The study used multiple regression analysis to test the relationship between the independent and dependent variables. It was found that employee competence affects contract management in the mitigating delays in construction industry. The extent to which employee competence influences contract management in the public procurement sector is high as indicated by 80% of the respondents. Relationship management influences contract management in construction industry. Its rate of the extent to which it influences contract management is high as indicated by 90% of the respondents. From the findings, it can be concluded that management styles influences contract management in mitigating delays in construction industry. The rate of the influence of management styles on contract management in construction industry is very high as indicated by 94% of the respondents. A good management style saves time and ensures working within the budget.

Keywords: *Contract Management, Management Styles, Employee Competence*

1.0 Introduction

In the construction industry, the aim of project control is to ensure the projects finish on time, within budget and achieving other project objectives. It is a complex task undertaken by project managers in practice, which involves constantly measuring progress; evaluating plans; and taking corrective actions when required (Kerzner, 2003). During the last few decades, numerous project control methods, such as Gantt Bar Chart, Program Evaluation and Review Technique (PERT) and Critical Path Method (CPM), have been developed (Nicholas 2001, Lester 2000). A variety of software packages have become available to support the application of these project control methods, for example Microsoft Project, Asta Power Project, Primavera. Despite the wide use of these methods and software packages in practice, many construction projects still suffer time and cost overruns.

Al Momani (2000) examined 130 public projects in Jordan and concluded that the main causes of delays include changes initiated by designers, client requirement, weather, site conditions, late deliveries, economic conditions. Hsieh et al (2004) conducted a statistical analysis in 90 metropolitan public work projects in Taiwan and identified problems in planning and design as main causes of change orders. Yogeswaran et al (1998) scrutinised 67 civil engineering projects in Hong Kong and suggested that at least a 15-20% time overrun was due to inclement weather. Based on analysis of 46 completed building projects in the UK, Akinsola et al (1997) identified and quantitatively examined factors influencing the magnitude and frequency of variations in building projects. These factors include: client characteristics, especially lack of prior experience and knowledge of construction project organization and the production processes; project characteristics, such as type, size, complexity and duration of the project; and project organisation factors, such as; design duration, percentage of design completed before tender, procurement and contract type, adequacy of information provided, and number of sub-contractors.

2.0 Statement of the Problem

Though the employer and other stakeholders in the construction industry continue to complain about the industry's inability to deliver projects within the scheduled project duration, budgeted project cost and acceptable project quality, there remains a constant problem of delays in the

Kenyan construction industry. An important factor which impedes the capabilities of contractors is delays. This has resulted into high cost of capital from banks, inadequate equipment holding, late completion of projects, poor quality works, unemployment, increase of total project cost, disputes, liquidation of construction firms and loss of productivity (Murali Sambasivan et al., 2007). There is, therefore the need to identify strategic ways to mitigate Kenyan construction industry.

According to the Medium Term Expenditure Report, 67% of the civil works projects carried out by the Ministry of works and its sub-sectors in Mombasa County, 39% of those carried out by the Constituency Development Fund within the Mombasa County in the financial year 2010-2011 experienced Cost overruns. The experience has not been any different in the previous years as 63% of projects in the Ministry of works and its sub-sectors, 48% of those carried out by the Constituency Development Fund in the year 2009-2010 had overruns of between 30% and 15.0% of the budgeted cost. This is why this study sought to investigate the role of strategic management in mitigating delays in construction industry in Kenya.

3.0 Research Objectives

The objective of the study was to establish the role of strategic management in mitigating delays in construction industry in Kenya. Specifically the addresses the following objectives

- i. To determine the influence of management styles in mitigating delays in construction industry.
- ii. To establish the effect of employee competence in mitigating delays in construction industry.

4.0 Literature Review

Management styles are characteristic ways of making decisions and relating to subordinates. Management styles can be categorized into two main contrasting styles, autocratic and permissive. Management styles are also divided in the main categories of autocratic, paternalistic, and democratic. This idea was further developed by (Zee, 2002) who argued that the style of leadership is dependent upon the prevailing circumstance; therefore leaders should exercise a range of management styles and should deploy them as appropriate. Covers the formal

governance of the contract and any permitted changes to documentation during the life of the contract. This area of contract management ensures that the everyday aspects of making the contract run effectively and efficiently are taken care of (Public, 2011).

Management style is a managerial parlance often used to describe the how of management. It is a function of behavior associated with personality (McGuire, 2005). Management style can be understood as a way to manage an organization. According to (Schleh, 1977) management style is “the adhesive that binds diverse operations and functions together”. It is the philosophy or set of principles by which the manager capitalizes on the abilities of the workforce. Management style is not a procedure on how to do but it is the management framework for doing. A management style is a way of life operating throughout the enterprise and permits an executive to rely on the initiative of the personnel of an entity. Effective management style is the extent to which a leader continually and progressively leads and directs followers to a predetermined destination agreed upon by the whole group. It is the manner of approach to issues of the managers towards achieving the goals of their organization by transforming various resources available to any organization into output through the functions of management (Field, 2001). (Khandwalla,1995) considered management style as the distinctive way in which an organization makes decisions and discharges various functions of goal setting, formulation, implementation of strategy, corporate image building, dealing with key stakeholders and other basic management activities.

Employee competencies are those traits, skills or attributes that employees need to perform their jobs most effectively. Clearly, these competencies will vary by job and position, but there are some commonalities that apply to just about any job in just about any organization (Rendon, 2009). Companies can hire employees with basic foundational competencies and then teach more specific competencies directly related to the employees' job descriptions.

According to (Hutton, 2004) competencies are divided into two categories, the technical or operant competencies and the behavioral or personal competencies. Technical competencies are any technical skills which are necessary for a job role; behavioral competencies are usually an expression of the softer skills involved in effective performance at a company. Technical competencies typically learned in an educational environment or on the job. On the other hand, behavioral competencies like decisiveness, integrity and dealing with pressure are learned

through life experiences and form our behavior patterns. Technical competencies are often seen as being more important since they are more overt and easily measured. However, (Russell, 2004) and (Hutton, 2004) stress that behavioral competencies are equally important as they constitute abilities and characteristics that help people make the most of their technical competences on the job.

5.0 Methodology

This study adopted descriptive survey research design and the target population was 30 developers, 54 architects, 79 project managers, 25 construction contractors within Mombasa County. A sample size of 85 was selected through stratified random sampling. The strata's were those of developers, architects, project managers and construction contractors. The study used primary data. Primary information was gathered by use of a likert scale questionnaire coupled with informal interviews that was guided by the questionnaire. Information was sorted, coded and input into the statistical package for social sciences (SPSS) for production of graphs, tables, descriptive statistics and inferential statistics. Descriptive statistics included; frequencies, mean and standard deviation. Data analysis output was presented using tables and cartographies like pie charts and line graphs.

6.0 Results and Discussions

The first objective of the study was to determine the influence of management styles in mitigating delays in construction industry. To achieve this the researcher studied management styles on mitigating delays in the construction industry, rate of the effect of management style on contract management in the construction industry and respondents opinion on the aspects of management styles. The respondents were asked to indicate the influence of management styles on contract management in construction industry. Majority of the respondents 75 (94%) indicated that management styles influences contract management in construction industry. A few 5 (6%) disagreed. According to (Schleh, 1977) management style is “the adhesive that binds diverse operations and functions together”. It is the philosophy or set of principles by which the manager capitalizes on the abilities of the workforce. Management style is not a procedure on how to do but it is the management framework for doing.

The researcher studied the respondents' opinion on the aspects of management styles. Majority 69 (86%) of the respondents indicated that good management styles saves time. A majority 58 (72%) of the respondents indicated that a good management style ensures working within the budget, 54 (66%) of the respondents indicated that the management style leads to completion of the contract. Majority 61 (76%) of the respondents also indicated the subcontracting is always successful in completion of contracts. Majority 52 (66%) indicated that good management style ensures quality of the product or services. While 68 (86%) indicated that good management styles translates to proper risk management plans. A management style is a way of life operating throughout the enterprise and permits an executive to rely on the initiative of the personnel of an entity. This implies that management styles influences contract management. Effective management style is the extent to which a leader continually and progressively leads and directs followers to a predetermined destination agreed upon by the whole group. It is the manner of approach to issues of the managers towards achieving the goals of their organization by transforming various resources available to any organization into output through the functions of management (Field, 2001). This implies that there is an effect of management style on contract management in the construction industry.

The second objective was to establish the influence of employee competence on contract management in the construction industry. Results indicated that majority 51 (65%) of the respondents indicated that level of education influences contract management. A majority 54 (61%) of the respondents indicated professionalism, 48 (84%) of the respondents indicated that integrity. Majority 50 (63%) of the respondents also indicated work experience. While 50 (62%) indicated workmanship as 51 (65%) indicated that training and development. Majority 57 (71%) of the respondents also indicated motivation while majority 46 (59%) of the respondents also indicated empowerment. This implies therefore that employee competence influences contract management. According to (Lindley, 2002), learning competencies increasingly gain importance in the work environment since the rise of the knowledge economy and the growing need for flexibility make it important for employees to continuously invest in their development.

The regression analysis which sought to establish the relationship between contract management, management styles and employee competence indicated that there was a positive and statistically

significant. Table 1 show that there is a positive relationship between mitigating delays in construction industry and the management style. Management style also has a statistically significant coefficient as indicated by a P value of 0.02 which is statistically significant at 5%. Results further indicated that employee competence is positively related to the implementation of strategic plan. This is shown by the positive sign of the coefficient. The coefficient is statistically significant as indicated P value of 0.047 which is statistically significant at 5% (Mugenda and Mugenda, 2003).

Table 1: Regression Coefficients

Variable	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	0.512	.160		3.2	.022
Management styles	0.8593	.368	.061	2.335	.020
Employees' competence	1.271	.357	.234	2.433	.047

Dependent variable: Mitigating Delays in Construction Industry

Correlation is significant at the 0.05 level (2-tailed).

7.0 Conclusions and Recommendations

From the findings, it can be concluded that management styles influences contract management in public procurement. The rate of the influence of management styles on contract management in construction industry is very high. A good management style saves time and ensures working within the budget. Management style leads to completion of the contract and subcontracting is always successful in completion of contracts. Good management style ensures quality of the product or services and translates to proper risk management plans.

It can be concluded that employee competence affects contract management in the public procurement sector. The extent to which employee competence influences contract management in the public procurement sector is high. The level of education of employees influences contract management. Other factors under employee competence that influences contract management include professionalism, integrity, work experience, workmanship, training and development, motivation and empowerment. This implies therefore that employee competence influences contract management.

The findings indicate that management style has a positive correlation with the contract management. Thus managers should support the lower cadre staff by guiding them towards goal achievement. The top managers must demonstrate their willingness to give energy and loyalty to the contract management process and at the same time, a positive signal for all the staff.

From the study, employee competence is positively correlated to mitigating delays in construction industry. As a result, the organization should place a lot of emphasis on equipping staff with problem solving skills so that they are competent in handling emerging issues in mitigating delays in construction industry. Staff training is also vital in equipping staff with knowledge and skills to accomplish the tasks drawn from contract management. Therefore, staff training and development should be inculcated into the strategic goals of the organization and implemented.

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