

Relationship between Partnering Process in Construction and Customer Satisfaction

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Abstract

Partnering Process in the construction sector is generally known as very simple and beneficial progress, which mainly aims to bring success for all the participants that take place during the project. Human factor and systematic working environment is observed as important components of the success of the partnering process. Individualistic characteristics of the human and dependency of systematic working environment toward human attitude leads a research necessity towards the human factor upon Partnering progress. When the studies over human characteristics have been generally observed, various researches have showed that emotional characteristic of the person has huge effect on the decision mechanism over the cases. Customer satisfaction is one of the cases that have been stated in various researches which try to explain market conditions according to human decisions and their triggering points. When these factor's above considered its clear to see that there could be a relationship between Customer Satisfaction and Partnering Process in Construction. It is observed that the mutual relationship between the cases will either lead a successful cooperation in long term or unsuccessful ultimate point of the relation when the specific requirements and characteristics of the concepts have been taken into account.

Keywords

Construction, Customer satisfaction, Partnering

1. Introduction

Construction sector is one of the biggest sectors within the world economy. Serving to millions of customers each year from different nations, with different habits and socioeconomic structures, for various aims, makes construction sector one of the key players in customer league. However researches have showed that there are some problems about customer and contractors relationship in construction sector. For example, Bowen *et al.* (1997) posit that the construction industry potentially has a higher proportion of dissatisfied and critical clients than any other industry. This argument is also supported by Kometa *et al.* (1994), whom stated that the evidence abounds to suggest that clients are largely misunderstood and dissatisfied with the performance of their consultants and contractors.

In the broad lines of construction sector there are also some limitations for the people who do not have any experience or information about technical or practical aspects of the construction. Mainly this reason leads individuals to become potential customers who prefer purchasing the product of the experienced developers in construction sector. Transaction of the product creates two sides which are the potential buyer "client", who would like to get a high quality service with low price, and potential seller "contractor", who would like to offer acceptable service with reasonably high price for their profit. When the aims of the client and contractor evaluated, there is a crash at the quality and price issues. Thus it can

be reached that there is either a high probability of customer dissatisfaction or necessity of improvement on the contractor's organization schema, due to unexpected outcomes.

In a Sector with high turnover each year and huge amount of transaction amount between the clients and contractors leads to search for eligible approaches for improve the system for both parts. Having difficulties in communication between parts or understanding the client needs brings "partnership approach" as one of the potential solutions when characteristics and structure of partnership is considered. Whether the definite effect of the relation is a bit blurry and not precise, with bringing the concepts together we may define a suitable approach to see the expectable outcomes.

This paper aims to clarify the questions stated below as primary aims with using the literature background that have been discussed as the secondary aims.

Primary aims of the paper are answering the questions of;

- ❖ Is there any relationship between Customer satisfaction and Partnering Process?
- ❖ Is there any repetitious mechanism between the Customer Satisfaction and Partnering Process?
- ❖ What are the potential triggering points to improve the efficiency of this relationship?

Secondary aims of the paper are explaining the following topics which will increase the understandability of the main questions asked in primary aims:

- ❖ What is Customer Satisfaction Concept and importance in construction sector?
- ❖ What is Partnering Concept and importance in construction sector?

2. Customer Satisfaction in Construction Sector

2.1 Reasons of Customer Dissatisfaction in Construction Sector

Requirement of knowledge and skills is one of the essential factors in Construction industry. Without one of them the quality of service or outcome can be affected negatively. It's also same for the customer satisfaction case in construction industry. The parties should have knowledge about each other and their necessities or desires. This situation is also commented by Ozaki, (2003) with the words of "In construction good information flow between customers and the house builder, and within the company, allow customer requirements to be built into the house. The crucial point in house building is to communicate with end-users".

When there is a connection problem or definition problem then there is a great possibility to fail from the potential targets which may prevent having a better outcome from previously expected. This is also supported by the Ozaki, (2003) "Poor communication between the end users and the builder prevents the flow of necessary information on services and products; and this leaves the customer dissatisfied".

Some other similar and potential reasons of dissatisfaction in construction sector literature are;

- ❖ Documenting causes of clauses of client dissatisfaction in the procurement process notes, among other factors, the issue of dissonance between objective reality and clients perceptions of it (Nkado and Mbachu, 2001).
- ❖ The possibility of clients stated requirements not sufficiently addressing their real needs (Nkado and Mbachu 2006).
- ❖ Inadequate research into client needs and satisfaction (Nkado and Mbachu 2006).

- ❖ Unable to fully grasp the issue of client satisfaction largely because of the absence or unawareness of a mechanism for satisfaction evaluation (Bowen, 1993).
- ❖ Inherent poor service (Rust and Zahorik, 1993).
- ❖ Out of date solutions like the service once well accepted may not meet customer expectations (Rust and Zahorik, 1993).
 - Due to market competition,
 - Increase in technology,
 - Change in the customer tastes.

When the potential reasons examined and discussed carefully, the importance of understanding customer needs, desires, and expectancies to solve the problems can be easily understood.

2.2 Requirements to Improve Customer Satisfaction in Construction Sector

Previous findings showed that main necessities of clients from the product that will obtain are, high quality product, and good service quality with a reasonable price. The accomplishment level of these variables will lead the level change in the expectations from minimum tolerable to desirable phase.

- ❖ Requirements have also be stated at the cases from (Ozaki, 2003) are vital in responding to customer requirements;
 - Customers want a certain standard of quality in products, and they like the house design to be suitable for their own lifestyle and lifecycle stages
 - Good quality customer services are absolutely essential to achieve customer satisfaction. Customers like to feel that they are heard and taken care of.
 - The lack of good information flow from the end customers through sales staff impedes the improvement of the above two points. Thus good communication and information flow is vital

These findings are also supported by Ozaki, R. with words of “Important element in customer focus is to establish good communication across functional boundaries within the organization, as well as between customers and the company.” and by Conlin, *et al.* (1996) with statement of” Customer requirements have to be fulfilled at each link of the service delivery chain as it is vital to have consistency in service quality.”

3. Partnering in Construction Sector

Literature of the Partnering process clearly indicates that, throughout the history many business sectors and companies have faced with obstacles or unexpected returns resulted from various reasons. Some of these reasons can briefly be listed as;

- ❖ Lack of communication between groups members,
- ❖ Lack of trust between groups members,
- ❖ Individualistic thinking of group members,
- ❖ Poor information about member personalities or abilities within groups,
- ❖ Lack of commitment of group members.

Business sectors that require cooperation between parties, have been searching for eligible approach or application towards working systems which may eliminate the main negative factors towards outcome of the work, that are discussed above, while improving the efficiency of the outcomes such as service,

quality, experience and etc. These researches and necessities increased the importance of focusing on cooperation subject and partnering issues and looking for potential win-win situation for sides.

3.1 Requirements of Partnering

One of the initial steps before planning the potential partnering process and applications, groups should decide or agree some important points which will continue until the end of the decided project. Quite reasonable amount of researches showed that in the works of Hilmes (1995), Ding *et al.*, (2007) and Nyström (2004), case of efficient supply or treatment of these factors:

- ❖ Trust
- ❖ Commitment to work
- ❖ Mutual Understanding
- ❖ Willingness to share knowledge
- ❖ Cultural alignment
- ❖ Small amount of additional resource and time

When the aim of the partnering process emphasized it is clear to see that the factors above are important issues for the sake of the process and participants.

3.2 Partnering Process Positive Outcomes

As it is published before by Chan A.P.C., *et al.*, (2002) “Partnering benefits all parties including the owner the general contractor sub-contractors management and on site employees” This thesis is a clear indication of potential win-win outcome for all participants. According to broad literature reviews, the following outcomes can be easily obtained for the beneficial results of partnering process.

- ❖ Early problem identification and solution
- ❖ Reduced Litigation problems
- ❖ Least costly dispute resolution and dispute avoidance
- ❖ Reducing the project duration, improved time control.
- ❖ Improvement in the quality of the service and products
- ❖ Increased productivity
- ❖ Improved cost control and reduced costs.
- ❖ Improvements in the safety.
- ❖ Improved communication between parties.
- ❖ Greater understanding of team members abilities, competences
- ❖ Improvements in the customer focus and client satisfaction
- ❖ Better responsiveness to changing market conditions.
- ❖ Usage of resources efficiently and allowing to invest in training and research.
- ❖ The improvement in the performance in terms of cost, time, quality, build ability, fitness for purpose and a whole range of other criteria can be dramatically improved if participants adopt more collaborate.

Also the findings are consistent with the previously reported publications which are also stated by Chan, A.P.C. *et al.*, (2002); CII (1991) and CII (1996).

3.3 Partnering Process Negative Outcomes

Main negative effect of the case is not achieving the previously expected outcomes. In addition to the loss of potential expectancies, one main result is preventing the continuous work together which may not allow the parts work again. Cheung *et al.*, (2003) stated that trust can be strengthened through repeated cooperative interactions and not achieving the objective during cooperative interaction will not allow repeated action which may result as a weaken the trust between the parties which is very crucial affect in the long run for any side.

3.4 Partnering Outcomes in Construction Sector

Bresnen and Marshall (1999) work clearly indicates that in recent years there is huge interest in the use of partnering in the construction. The increasing amount of the projects also done by Hilmes (1995) related with is another proof for that interest. Actually, when the characteristics of the construction sector considered, usage of the partnering isn't surprising the authorities. While Hilmes (1995) is stating that "The construction industry has a well deserved reputation for conflict, mistrust, claims and litigation. The very confrontational and conflict-oriented methods which firms use are the result of having been burned, sued etc. Similarly at the survey done and has published in the report of Kaming, *et al.*, (1997), importance of poor labor productivity and poor planning with respect to other construction delay factors are clearly indicated. In addition to that Lack of cooperation has been identified as one of the major causes of inefficiency in the construction industry by Cheung, *et al.*, (2003).

When the potential problems ;high amount of conflicts, mistrust, claims, litigations, long delays, poor labor productivity, and lack of cooperation considered we can easily remember the potential benefits of partnering may overcome the negative common problems faced in construction while giving a chance to innovation and continuous improvement. As it is published by CIRC, 2001 and stated by Chan, *et al.*, (2002) "The wider adoption of a partnering arrangement should be encouraged in the future so as to foster an efficient, innovative and productive construction industry." This idea can be supported by the findings of Larson (1997), which indicates a positive relationship between partnering and project achievement, success with a survey done upon 291 construction projects.

4. Conclusion

In the manner that the secondary aims results supports the primary aims starting our evaluation results with secondary ones will be beneficial for the explanation of primary aims results later on this paper.

*The question of "What is Customer Satisfaction Concept and importance in construction sector?" is asked to inform people about the issue. Serving for different tastes with different products prevents making general approaches for many cases however; it is observed that one of the most eligible approaches to determine the Customer Satisfaction is "Disconfirmation Paradigm" which mainly depends on the comparison of the services of purchased product observations with pre-purchase expectations. When the literature and survey compared they all get along well with the findings of pre-purchase dominance on the issue.

To conclude satisfying the pre-purchase expectations of the customers mainly solves most of the problems due to the satisfaction the client get.

When construction sector is considered 4 main points are mainly expected from the sellers which are; High Quality Outcome, High Quality Service, Saved Time and Cost, and Information Flow during Construction

Answering the needs of clients in the aspects stated above could be the answer for the consumer satisfaction in the construction industry.

*Second question of “**What is Partnering Concept and importance in the Construction industry?**” is also asked to inform the 3rd part readers about the further cases that are discussed in the paper. We can summarize partnering as potential win-win outcome of the parties coordinated together for the same aim on the same project. When the poor reputation of the Construction projects is considered then importance of working together without and disputes is increasing. Having characteristics that mainly aims the high service quality with high quality product and allow clients participation on the progress which may also allow information flow, saved time and cost due to timely decisions for the client side, partnering concept could be one of the solutions for the previously discussed matters.

However another important case for partnering during construction projects are, while healthy partnering progress is resulting with highly appreciated outcomes simultaneously poor applications or lack of fulfilled necessities of partnering studies resulted with the poor results which may lead hazardous situations for the service provider in most cases. That case shows the necessity of partnering requirements fulfillment that are also stated in the previous part of the paper in detailed manner.

*Third question of “**Is there any relationship between Customer satisfaction and Partnering Process?**” is asked to answer one of the main aims of this paper.

When the *services of Partnering in Construction* and necessities of Customer Satisfaction in Construction sector are considered it can be clearly stated that there is a definite mutual relationship between the concepts. It is observed that they both are working for each other’s benefit in long term. While the services of Partnering Process is aiming to fulfill the necessities of the Customer with the environment that all the parties satisfied with the conditions simultaneously Satisfied customer improving the reputation of the other participants with potential recommendation way or keeping doing repetitious work in long term. Nonetheless poor outcomes of the partnering, will lead end of this mutual relationship. Failure of the any of the groups most probably lead other participants failure or not commitment in the future relationships which is parallel with “Prisoners Dilemma Concept”

*Fourth question of “**Is there any repetitious mechanism between the Customer Satisfaction and Partnering Process?**” is mainly looking for a long term outcomes for this relationship. And it is clear to see that both of the cases is supporting each other and as it is stated in the several studies it also supports that the self improving aspect of partnership. Because of the structure of partnership, while improving the trust between the parties. Improved trust between the parties lead improved partnership outcomes in long time with additional benefits. When the mutual relationship of the sides is considered it is easy to see the main mechanism with the diagram shown below. This can shortly be explained as successful partnering will lead repetitious work which may also increase the quality of outcomes which will result as better partnering outcomes such as a self improving cycle with increasing the customer satisfaction while increasing the gaining’s of other participants in repetition and economical sense. Nonetheless failure during the progress is also resulted as self destructive direction with starting to lose customers and ultimate failure at the end.

*The last and fifth question “**What are the potential triggering points to improve the efficiency of this relationship?**” is searched for finding the potential factors that may affect the partnering and customer satisfaction relationship in either good or bad manner. After obtaining that this relationship is can either be self improving or self destructing we should be aware of the factors which lead healthy and pre-planned progress of the partnering process.

Review research has indicated that actually main influencing factors are the subtopics of the Concepts which are the factors that mainly affect Partnering progress and factors that affect customer satisfaction.

However through all “trust” plays crucial role for both concepts improvements and as it is published by Nyström, (2004) “Essence of this strategy is trust develops through reciprocal co operative strategies from both parties”.

Main necessity for the client satisfaction is can shortly be explained with “*understanding the customer demands in manner of quality ,service, time and cost*” and “*reflecting their demands in the solutions*” aims. Thus it can be clearly indicated that in a services that fulfill the stated needs will bring customer satisfaction and success together when the effect of customer satisfaction towards market share considered.

With respect to Customer satisfaction, factors that affect partnering more complex and self evolving cases. It is observed that there are two main stages for the success of Partnering which are the “*implementations of the partnering*” which design and plan the working environment with assigning the related jobs to related partners in predetermined schedules and “*requirement of the partnering*”, both are the main necessities of the group works apart from the theoretical construction progress.

Several literature used during the paper have shown that implementations of the partnering progress can be shortly summarized as; Frequent Work Progress Meetings, Social Interaction Meetings, and Improved communications services

General requirements of the Partnering Process according to literature can be also briefly listed as; Trust, Commitment to Work, Coordination, Mutual Understanding, Willingness to Share Knowledge, Cultural Alignment, and Small amount of extra time and money

Base on the statements stated previously it can be estimated that implementations of them will lead an increase in mutual understandings of the participants towards each other, which may be resulted as a potential increase in the trust within working environment. Furthermore increased trust probably lead increase in commitment to the work and willingness to share knowledge within groups. Increased commitment to work and willingness to share information creates an environment that can bring cultural alignment which is explained as starting to think alike within the group. Cultural alignment, approaching the situations similarly or being able to understand each others needs and working or studying for same purpose will lead increased cooperation through progress that will lead boasting effect on Trust which can be a proof of self evolving concept while the stages have been followed. Developed trust will also improve the efficiencies of the pre-stated factors which may open the door for successful partnering. In addition to partnering requirements it is also observed that understanding the needs of clients in manner of quality of service and product, cost and time manner, and reflecting their necessities in the potential outcomes are also crucial in the factors in the perspective of customer satisfaction case. If all the factors stated above is satisfied in addition to factors of the customer satisfaction case than the progress will be straight forward and resulted as a success for all participants in long manner.

Previous studies and survey study done by Uzaslan (2008) has revealed that satisfied customer is willing to recommend the other parties to their social environment for future works and willing to work together again for future works. Recommendations will bring reputation and increase in market share of the company. Increase in market share and reputation will be resulted as increase in quality and earnings because of improving effect of repetition. Studies show that repeated actions improve itself each time of repetition in manner of quality, time and cost. When looking from this aspect we can say that potential future participant clients will also benefit from the improvement in the construction participants.

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