

DELIVERY CAPABILITIES IMPACT PROJECT PERFORMANCE

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Report submitted in partial fulfilment of the requirement for the award of the  
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## **SUPERVISORS'S DECLARATION**

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality of the award of the degree of Bachelor of Project Management (honour).

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## STUDENT'S DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been acknowledged. The thesis has not been accepted for any degree and is not concurrently submitted for award of another degree.

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## ABSTRACT

The aim of this research is to study project delivery capabilities impact project performance. If the companies know the factors that influencing the project's performance, they will focus on that and can deliver the project successfully. For the factors of project delivery capabilities is a set as independent variable. The factors that have been use in this research are process, organizations, methods, metric and leaderships because these are the top five factors that have impact on project performance. Then, the dependent variable of project performance is time. Sixty respondents from the construction industry in Kuantan, Pahang that are registered under CIDB were surveyed by questionnaire. The questionnaires were distributed using mail, google doc, and face to face. Software SPSS was use to analyse the data to get the results. The objectives of this research are to investigate project delivery capabilities practices in project management and to rank the project delivery capabilities according to priorities in project performance Results show that project delivery capabilities impact project performance and the finding are parallel accordance with previous researches but had different ranking of factors.

## ABSTRAK

Tujuan kajian ini adalah untuk mengkaji keupayaan penyampaian projek memberi impak kepada prestasi projek. Jika syarikat-syarikat mengetahui tentang faktor-faktor yang mempengaruhi prestasi projek, mereka akan memberi tumpuan terhadap faktor-faktor tersebut and boleh menyampaikan projek dengan jayanya. Untuk faktor keupayaan penyampaian projek ditetapkan sebagai pembolehubah bebas. Faktor-faktor yang digunakan di dalam kajian ini ialah proses, organisasi, cara, metrik dan kepimpinan kerana ini adalah lima faktor yang paling tinggi yang mempunyai kesan terhadap prestasi projek. Kemudian, pembolehubah bersandar bagi prestasi projek ialah masa. Enam puluh responden daripada industri pembinaan di Kuantan, Pahang yang telah berdaftar dengan pihak CIDB telah dikaji selidik. Boring soal selidik telah diedar menggunakan e-mel, google doc dan tatap muka. Perisian SPSS digunakan untuk mendapatkan keputusan. Objektif dalam kajian ini untuk menyiasat amalan keupayaan penyampaian projek dan menyusun kedudukan faktor keupayaan penyampaian projek. Hasil kajian menunjukkan bahawa keupayaan penyampaian projek memberi kesan kepada prestasi projek dan dapatan itu adalah selaras dengan kajian terdahulu dan cuma mempunyai perbezaan kedudukan faktor.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

This chapter covered the general summarization of the study. The outlines of chapter are background of study, problem statement, research objectives, research questions, scope of study, significant of study and operational.

#### **1.2 BACKGROUND OF STUDY**

Improving the project performance is necessary for organization to keep the project schedule on track and deliver timely. Barney et al. (2011) stated that improving the organization's performance and competitive advantage can be done by assessing the resource or capability of organization. Another researcher, Salaman and Asch (2003) show evidence by presenting a model considered three variables which are organizational environment, business strategy, and organizational capability, that demonstrating five ways to improve organizational performance, but capability differentials are not specifically

analysed. Delivery capabilities can give major impact for project performance. Milosevic & Ozbay (2001) traces the project management (PM) community is familiar to project delivery capability. Hence, project manager should be aware with the issues related with project deliveries capabilities because it will influence the triple constraint of project management. Toney and Powers (1997) used example, in a report from magazine of Fortune 500 Project Management Benchmarking Forum declares that 85% of its members using project management's standardized procedures and approaches in order to deliver the project performance in a better way.

Besides that, Firms with performance on a capability describe as 'high' performers when in position of upper quartile and the number of capability elements represent by level number of their firm's times have achieved (Corbett & Claridge, 2002). Successful project usually defined as on-time, on-budget and fulfil the scope requirement of project. Ability to deliver the project is a significant interest for organizations (Marnewick & Labuschagne, 2010). Delivered project on time is one of strategic objective organization must achieve in order to get customers satisfaction. Delivery capabilities are an increasingly important area in business strategy. If organization always practices a good project delivery capability gaining that value should be routine, while for others it will appear a more difficult exercise.

The way for project management strategies drive organization success in essence when realized the success of projects is through the delivery of business outcomes. Recent developments in delivery capabilities have heightened the need for organization allows the delivery of viable successful projects, will emergent the reputation and attaining new business. This contribution provides the delivery capabilities that will permit the improvement project management practices of firms. A major frequently seen for construction project is timely completion on project performance by contractors, clients and consultant alike. The fact that limiting us is not looking on beyond a narrow factors of project delivery for project performance (Milosevic & Ozbay, 2001).

### 1.3 PROBLEM STATEMENT

Nowadays, when we are going to city many construction projects were pending for a long time and lots of project abandoned everywhere. Why can situation like this happen in Malaysia as developing country? Abdullah et al. (2009) mentioned that since 1984, 90% of large MARA construction project were agonized suspension with major effect of cost and time overrun. This matter deserves more attention because troubling long enough at a scale. There were 514 abandoned housing projects in Malaysia with an estimated value of RM 7.5 billion (see Table 1.1) in 2000. Even though the number has been gradually declining, but in September 2012 have been reported there are still a total of 95 abandoned housing projects comprising 26,170 house buyers and 37,316 units of houses by Ministry of Housing and Local Government (2012). In advance of the figure, non-housing projects also being abandoned throughout the years. For example, the Plaza Rakyat, a RM 1.5 billion mix use project, remains abandoned even though it was scheduled to be completed in 1998 (Jayaraj, 2009). Some of the problems of abandoned construction projects harassing the construction industry in Malaysia.

**Table 1.1:** Statistics on abandoned housing projects

Year	Total number of abandoned housing projects (Peninsular Malaysia)			
	No. of projects	No. of houses	No. of buyers	Estimated Value (RM million)
2000	514	107702	68340	7524.41
2001	544	125649	80070	9496.68
2002	-	-	-	-
2003	-	-	-	-
2004	227	75356	50813	7033.08
2005	261	88410	58685	8043.00
2006	-	-	-	-
2007	-	-	-	-
2008	270 <sup>a</sup>	87725 <sup>a</sup>	60159 <sup>a</sup>	-
2009/12/03	136 <sup>b</sup>	-	30567 <sup>b</sup>	-
2010/06/30	151 <sup>c</sup>	-	-	-
2011/02/06	104 <sup>d</sup>	34309 <sup>d</sup>	22558 <sup>d</sup>	-
2012/09/30	95 <sup>e</sup>	37316 <sup>e</sup>	26170 <sup>e</sup>	-
Source	Unmarked - Ministry of Housing and Local Government (HBA 2006) <sup>a</sup> Ministry of Housing and Local Government (MHLG 2008) <sup>b</sup> Minister of Housing and Local Government (Kong 2009) <sup>c</sup> Kabit (2010) <sup>d</sup> Heng (2011) <sup>e</sup> Ministry of Housing and Local Government (MHLG 2012)			