Premature Project Closure: The Part Played by Clients

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Abstract. All projects regardless of complexity, have a documented start and end date. However, some projects may close prematurely because predefined goals cannot be met within the defined schedule. Negligence by one or more project stakeholders can result in premature project closure. This study examines how clients contribute to premature project closure in construction projects within South Africa. The nature of the study is descriptive which was carried out through survey research. A Likert scale structured questionnaire was used to collect data from construction professionals within Gauteng Province of South Africa and retrieved data were analyzed using descriptive statistics. The results revealed that the major clients’ actions that can lead to premature project closure include untimely allocation of resources and setting of unrealistic goals. It was therefore concluded that clients must ensure that projects are properly planned, and the predefined project design and timeline must be appropriately adhered to without much interference. This will reduce the risk of premature project closure.

Keywords. Premature project closure; Project life cycle; Construction clients; Construction projects; Project failure.

1. Study Background

A project is a string of interdependent activities executed in a bid to achieve a desired end product [1]. In essence, every project must have a definite purpose to be accomplished within a predetermined period, but in reality, not all project can meet up with its objectives and time which allows for projects to be closed prematurely [2]. A typical project closure phase is supposed to be well planned and delicately managed, however, certain circumstances can lead to an unplanned project closure [3]. Most times, projects close prematurely when there is opposition from involved stakeholders; when its real-time expenditure offshoots the project’s budget such that investing more funds into the project will result in a colossal loss; when there are too many risks inherent in the project; as well as when project objectives are achieved before the scheduled time [4]. Doraisamy [5] classified the reasons for premature project closure into six categories which include; client-related factors; contractor related factors; consultants related factors; contractual relationship factors; Health and safety factors and; external factors.

By nature, construction projects are complex in design and involve numerous stakeholders. As a result, successfully delivering a project has in recent times become more challenging for both clients and construction professionals [6]. This study focuses on client-related factors in premature project closure and hence examines how clients contribute to premature project closure in construction projects within South Africa.
2. Theoretical Overview of Clients’ Roles in Premature Project Closure

Every project is required to follow a basic sequential pattern which includes phases such as conceptualization; organization; execution and termination. This is often referred to as the project life cycle. The project closure phase is the final stage of a project life-cycle and according to Larson [3], project closures can be classified as normal, premature, perpetual, failed projects and changed priority. This study focuses on premature project closure which occurs when projects are closed without achieving the objectives of the project. In retrospect, premature project closure is usually the termination point for a failed project.

Tuman [7] submitted a concise definition of construction project success as “having everything turn out as desired. Adequately and appropriately allocating resources in a timely manner to meet all project needs. Timeous allocation of resources by the client is critical to the success of a construction project. Unnecessary delay in the disbursement of funds or allocation of resources can result in project failure hence closing the project prematurely [8].

Furthermore, financial constraints can result in premature project closures as it refers to hindrances that can prevent a project sponsor from funding a project at any phase of the project life cycle. This inability to fund a project does not necessarily relate to economic distress or bankruptcy risk even though they are correlated with financial constraints. Financial constraints may exist due to the illiquidity of assets and credit inaccessibility [9]. Additionally, Toader [10] forwarded that poor cash flow management can also lead to financial constraints. Doraisamy [5], however, submitted that a project might not be declared prematurely closed if the sponsor is facing financial challenges, the project can rather be suspended or put on hold until financial challenges are overcome.

In another light, Holroyd City Council [11] opined that the client should have a distinct knowledge of what the end product should be, when he expects full delivery, and where exactly it should be. Clients can cause premature project closure by setting unrealistic goals, constantly changing project specifications and lack of efficient planning [10]. Gabula [12] also submitted that a number of client-related factors can influence a project’s success and cause premature project closure, these factors include; a change in the initial set objectives; a change in the project’s importance or necessity to a company or organization; change in the initial set project time; a change in users’ needs and wants and; a change in the source of funds.

Furthermore, it is a client’s duty to communicate the project requirements effectively. Effective communication can eliminate the possibilities of premature project closure [13]. Angelo [14] concluded that communication breakdown can be the most detrimental cause of premature project closure. And since the client is ultimately responsible for the bill, he, therefore, has a vested interest in all aspect of the project and he must be updated on the progress of the project.

One other very important factor that determines a construction project success or failure is the selection of suitable contractor, subcontractors, consultants, and other project team members. To ensure project success, the client must engage the abilities of competent professionals to carry out various tasks required [15]. Studies carried out by Ahsan [16] identified communication, technical skills, stakeholder management, cost management, time management, education background, planning, leadership, team building, and professional certification as the top ten criteria for the selection contractors and consultants. Similarly, El-khalek [17] developed 55 influencing criteria that can be used by the client to choose suitable construction contractors and team members. These 55 factors were categorized into the following basic criteria; cost; quality; technical capability; management capability; health and safety; reputation and time. The study concluded that clients must ensure that all seven criteria are considered during the selection of contractor; subcontractors and consultants.

Berteaux [18] proposed that for a project to be successful, the client must ensure that the project is adapted and integrated into the local environments. Residents of a particular area may cause a construction project to fail and be prematurely closed even after obtaining the necessary permits if they oppose the project. Opposition may arise as a result of presumed increase in traffic, noise or crime rate as well as disruption of the unique character of the neighbourhood [19].
3. **Design and Method**

The nature of the study is descriptive as it explores the role of clients in premature project closure within the South African construction industry. This research was conducted in the Gauteng Province of South Africa through a survey of construction professionals which includes; architects, civil engineers, quantity surveyors, contracts managers, and construction project managers. A structured questionnaire was designed and distributed to relevant professionals in the construction industry with the aim of determining how clients contribute to premature project closure in construction projects. One hundred and twenty questionnaires were distributed, but only eighty-two were received back and deemed usable and formed the bases of data analysis for the study. In order to determine the level of importance of each rated factor, the five-point scale from the questionnaire was converted into Mean Item Score (MIS) for each of the rated factors. The collated data were tested to check its reliability with the aid of Cronbach’s alpha test and returned a value of 0.951 indicating that the collected set of data is very reliable and fit for use for this study.

4. **Result and Discussion**

Background data collected revealed that 47.56% of the respondents are Civil Engineers, 21.95% are Construction Project Managers, 12.20% are Quantity Surveyors, 9.76% are Architects, 6.10% are Contracts Managers and 2.44% are Project Managers. Distribution of the respondents based on the length of work experience in the construction industry shows that 64.63% has 1-5 years of experience, 30.49% has 6-10 years of experience while 4.88% has above 10 years of experience in the construction industry. 61.11% of the respondents worked in the private sector, 32.94% of the respondents worked for both private and public sectors while 6.15% of the respondents worked in the public sector.

Table 1 ranks client-related factors that contribute to premature project closure. From the table, it can be deduced that ‘Resource allocation’ and ‘Client’s unrealistic goals’ are at the top of the client factors responsible for premature project closure with mean item scores of 3.65 and 3.62 respectively. This is closely followed by Client’s interference with project performance; Level of project planning and selection of project leaders with a mean item score of 3.57 each.

| Client-related factors                             | Mean Item Score | Standard deviation | Rank |
|---------------------------------------------------|-----------------|--------------------|------|
| Allocation of resources                           | 3.65            | 0.894              | 1st  |
| Client’s unrealistic goals                        | 3.62            | 0.855              | 2nd  |
| Client’s interference with project performance    | 3.59            | 0.831              | 3rd  |
| Level of project planning                         | 3.59            | 0.860              | 3rd  |
| Selection of project leaders                      | 3.59            | 0.902              | 3rd  |
| Level of support from the client                  | 3.57            | 0.786              | 6th  |
| Client’s attitude towards code standards           | 3.57            | 0.802              | 6th  |
| Contract revisions by the client                  | 3.55            | 0.819              | 8th  |
| Payment time                                      | 3.55            | 0.848              | 8th  |
| Indecisiveness of the client                      | 3.50            | 0.774              | 10th |
| Financial support from the client                 | 3.46            | 0.804              | 11th |
| Stability of the project scope                    | 3.44            | 0.818              | 12th |

Holroyd City Council [11] poised that it is the client’s full responsibility to know what is required, and when it is required to be complete. With this knowledge, the client should be able to appropriately manage the allocation of resources. Results from this study support that of Toader [10] which observed that lack of enough resources, client’s unrealistic project duration, constant change of specifications and
the level of planning could negatively impact the success of a project. Similarly, Gabula (2012) also forwarded that lack of resource allocation and lack of commitment are the main causes of premature project closure. However, the study carried out by Doraisamy [5] disagrees with these findings as it concluded that the main causes of premature project closure from the client’s side are: project scope instability and constant adjustments to the scope; level of financial support from the client and; inexperienced client.

The empirical findings and theoretical review of this research revealed that timely allocation of resources by clients will almost always lead to a project’s objectives being met earlier than anticipated. Allocating resources later than expected may lead to escalating costs, thus leading to premature project closure. In addition, It was discovered that the client’s anticipated contract duration always helps project success by raising expectations and thus improving and increasing motivation to complete the project swiftly. However, it was also revealed that the client can contribute to premature project closure by constantly interfering with the project scope and thus affecting a project’s progress. Therefore, clients must ensure that they don’t frequently interfere with the project process and progress. Furthermore, Contractor and consultants’ selection is one of the most important decisions the client has to make. Selecting the wrong project leader might jeopardize the whole project. During the selection process, the client must consider some vital attributes to ensure that the most suitable professionals for the project are selected. Attributes of prospective project leaders that should be considered by the client should include but not be limited to communication skills, technical skills, stakeholder management, cost management, time management, education background, planning, leadership, team building, and professional certification. Clients must also note that the size, complexity, and dynamics of individual construction projects vary, and professionals must be selected based on their capacity to handle the project at hand.

5. Conclusion
This study was aimed at exploring the role of clients in premature project closure within the South African construction industry. From the literature review conducted and information gathered from South African cases which had experienced premature project closure, the main causes of premature project closure were identified as follows: insufficient resource allocation, setting unrealistic project goals, inexperienced consultants, level of planning and constant changes in project goals. These are all factors that could have been controlled by the client in order to avoid project failure.

Clients must be proactive when involved with a construction project. If successful completion of the project is desired, clients must ensure that adequate resources are allocated appropriately in a timely manner; project goals are realistic and achievable; goals are not constantly changed; the project has gone through a rigorous preplanning process; appropriate professionals are selected as project team members and lastly; adequate finance is available or accessible to keep the project running without any downtime. It can be deduced from the findings of this research that organisation and planning on the part of the client are very important to the successful completion of any project. Little negligence can lead to not achieving the stipulated project goals which will cause the project to close prematurely.

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