

THE INFLUENCE OF PROJECT VALUE ON CONSTRUCTION PROJECT DEVELOPMENT IN THE UNITED ARAB EMIRATES

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ABSTRACT

Improving project development is linked to planned strategies that can translate project objectives into action. The traditional approach in designing project strategies lacks development of modern technologies. In this regard, the purpose of this study was to investigate the impact of project value on the construction projects development in the United Arab Emirates. The research aimed to analyze the role of project value strategy in the development of construction projects management. This study has applied the quantitative approach to collect the data through a questionnaire instrument from 382 respondents working in the construction projects in UAE. This study has found that there is positive and significant relationships between project value and construction project development in the United Arab Emirates. The unfitting strategic management in many construction sites is a consequence of not having an adequate strategic management model. This situation tends to slow down the deadlines of the work execution. It is recommended to carry out the work efficiently, it is essential to make decisions based on a methodology or a system. In addition, in case of arising problems, the project manager should be able to solve them more quickly and efficiently if there is a strategic management system.

Keywords: Project Value, Construction Project Development, United Arab Emirates

INTRODUCTION

The public budget's interest in the UAE in developing social sectors such as health, education, and housing makes the development of the construction sector necessary for these ends such as building and developing infrastructure in schools, hospitals, roads, and residential buildings which makes the real estate landscape in the UAE moving in a positive way. This has contributed actively to the growth of the state since 2012, as the construction sector continued to grow in the region. There were 49% of construction contracts awarded during the second quarter of 2017 from the total construction sector contracts in the countries of the Cooperation for the Arab Gulf states. This has strengthened the expectations that the sector will witness an unprecedented boom in the next stage after the announcement of the granting of loans and distribution of housing and residential lands, as well as the establish of a package of incentives and decisions. Consequently, this will revive the market, enhance employment opportunities and attract investment, increase productivity, and move trades in building materials.

These days, modern disorders include advances in every mechanical development worldwide, regardless of the type of industry in which it is located. In any case, more recent strategies and advances are acquired to maintain the development of companies. This has drawn the attention of senior managements because of the need to execute strategies and advances or strategies and developments to improve the development of construction project management. Strategies are important for any construction project management. Construction project management is usually a huge project that requires colossal capital financing and without an adequate system, disappointment is expected. Disappointment is caused by a great misfortune and to avoid it, a company needs to have strong strategies as strategies are crucial in any construction project. Progress is the second crucial aspect in construction projects, where it

provides the ability to create, classify, improve, and help the administration of construction projects (Eriksson, 2013).

The development of an ideal model to connect the dimensions of strategies and the project development is, without a doubt, another thought to be considered. The procedure is used every day without it, in circumstances of problems. Data utilization and vulnerability management are key components for effective management in a partnership. In addition, managers who face problematic circumstances in making decisions to deal with current problems must choose between several strategies and plans, which include the development and use of a model.

Some authors dedicated to the investigation of models characterize it as a hypothesis that incorporates some components that identify each other (on December 20, 2018). It has to shape or structure a provision, method, or standard that is given to achieve an objective. It is a disentangled representation of the key properties of an element, situation, or relationship which can be oral, material, or scientific (Dalkir & Liebowitz, 2011). They are a method and an asset to begin an information procedure; they are not an end in itself. The importance of the models depends on two focal points that are firmly identified, but not indistinguishable. First, is the reserve funds in the introduction, the search, the use of effort, assets and times; the second is that the models allow the investigation and imagination of circumstances so complex that they would be incomprehensible if the framework is imitated in its genuine condition.

As it is obvious, The United Arab Emirates is spending huge capitals in these construction projects, so there must be a good valid management system for these projects (El-Sayegh, 2018). According to Mohamed & Sameh (2018), construction companies lack in providing optimal value construction projects, which led the UAE government to rely more on foreign construction companies. This affects the local companies' performance, where most of these companies work as subcontractors under multinational companies. Furthermore, AlGheth & Sayuti (2019) indicated that several construction projects in UAE suffered delay in time due to several causes. The lack of resources was one of these causes, which was related to the scarcity of raw materials. Huge construction projects such as Abu Dhabi airport had overtime more than three years, which caused a negative impact on the economy. Any delay caused by lack of planning accuracy, execution, or control of the operations of the project may have serious and costly consequences. Other than that, legal issues arise as a result of breach of condition when the project is at an international level; cases are received and still get a clear scope in various developed and developing countries which happen due to the lack of mediating innovation strategy in the planning and control of operations in a construction project. AlNuaimi & Khan (2019) attributed that government rely on foreign or multinational companies for better innovative work provided. Improvement and evolvement of project management are results from the development of construction projects management in the current era. The increase in unit-based competition on the basis of time, cost, quality, development of communication systems, and the means of data collection and analysis with the diversity of mega-complex construction projects with high costs need large diversified resources, which increase the risk borne by the authorities of the construction project in terms of size, implementation, and its benefits.

The aim of this study is to find out the impact of project value on construction project development in the United Arab Emirates. This research will provide a comprehensive literature review of the research variables. The following sections will show the methodology used in this research, as well as the tests and examinations used in the study. This paper will also discuss the findings of this research and include a conclusion for this research.

LITRATURE REVIEW

In ethics, values refer to the level of importance of something or an activity and identification of the activities that are best done, or are the best way to live (organizing ethics), or to visualize the centrality of different activities. They can conceive of activities such as

theoretical articles and develop values for them. What makes an important activity dependent on the ethical values of articles that expand, decrease, or modify is a question with “moral value” which can be called “moral or thoughtful” (in other words) (Kianto, 2014). Values can be described as expansive tendencies for courses that are suitable for activities or outcomes. Accordingly, values reflect a man’s sense of good and evil or what should be. “Rise to Rights for All”, “Perfection deserves recognition”, and “Individuals must be approached with respect and nobility” are the delegates of values. Values tend to influence mindsets and behavior. These include morals/moral values, jurisprudential/ideological (religious and political) values, social values, and elegant values. It is crowded around whether some values have not been clearly identified physiologically (Ittner & Keusch, 2017). For example, goodness is inherent, and greed must be delegated to dissatisfaction or superiority.

Obviously, recognizing that creating dynamic abilities include genuine expenses leads to suggestions for their potential esteem. In the event that a firm seldom has a need to change, its performance in respect to contenders may endure when it dedicates noteworthy assets in building up these abilities. This perception underscores the significance of adjusting the expenses of a given dynamic capability and its genuine utility. Hence, dynamic abilities can be seen as “strategic alternatives” (Kogut & Zander, 1996) that enable firms to re-shape their current asset base when the door opens or the need emerges. The lower the requirement for change is, the more improbable the chance to “strike” the choice and make dynamic capacities nearly less important. This suggests the need for a given firm to utilize its dynamic capacities more than once with the aim of delivering a critical esteem (Helfat & Winter, 2011).

“Value” in the resource-based theory is the real commitment of RBT which is the investigation of heterogeneous resources and how these can be the wellspring of advantage if contending firms cannot copy these resources (Eleftheriadis & Leontari, 2017; Sjödin, 2016). In many commitments to the point of view, resources are thought to be important. The only exception is Wernerfelt (1984), who characterizes resources as anything which could be thought of as a quality or a shortcoming of a given firm. Consideration has been centred around disconnecting systems that keep equal firms from imitating the coveted resource groups (Husted, 2015). At this point, the issue of esteeming a resource tends to be examined in expansive and general terms. There are few creators that have endeavored to characterize the term “significant” as a term that tends to contend that resources are important in connection to a particular market condition. According to Barney (1991), a resource is profitable in the event that “it abuses openings or potentially kills dangers in a company’s domain”. A resource has been also characterized as profitable on the off chance that it either empowers client who should be better fulfilled or, on the off chance, it empowers a firm to fulfil needs and bring down expenses as contenders. Similarly, Barney (1991) proposes that resources are important “when they empower a firm to consider or execute methodologies that enhance its productivity and viability”.

Value can be described as implying a specifically persistent condemnation of endurance or tendencies to states at a later time. Value has positive effects on individual(s) and drives the idea of values that constitute seductive properties. These ideas support the theory of value work as embraced by Heilbroner, et al., (1969) whereby everyone has an equal possession stake on the planet and its resources. At this point, the use of socially basic action (control) contributes to the old scarcity that was created.

There are five most prominent aspects included in the definitions of values: (a) ideas or convictions, (b) about tempting enduring situations or practices, (c) that rise above certain circumstances; (d) the evaluation of behavior and events, and (e) are required in terms of relative importance. “Thus, values are often portrayed as constituting a layer of culture that is a transition between key convictions in the centre and indicators on the surface of behavior, tone, images, legends, etc. They comprise a variety of motivational spaces of values, which are reported about tasks/projects that positively affect performance and ultimately recognize the values that determine the end-circumstances (outcomes, as in the work of the project used) and

the core values (forms, such as project approval that consumes fewer resources and reduce from pollution).

Measurements have been resolved to examine the National Societies which constitute the fundamental support of regulatory associations (and atmosphere) and thus develop an organizational behavior. Hofstede separated four measures of national culture: separate control, individual/co-operation, masculinity/kindness, and evasion of weakness. Subsequently, it includes a long or short term after investigations in Asia that recognizes the inevitable effects of Confucian dynamism. For organizational communities, Hofstede uses the following six measurements: process-work-professional-narrow-work; open-frame; unrestricted control. These measurements of culture can be considered as “measurements of conflicting values”.

With regards to organizational adequacy, the examination of values and their behavioral outcomes led to the proposal and testing of conflicting value models. Quinn and Warborough proposed a three-dimensional model of conflicting values: control and adaptability, concentration within, and external concentration. As such, this model has been condemned because of “the possible negative consequences of overstating certain values and preventing others”.

For the TMO Project, increases in registration are gradual as recognition procedures continue (and changes are encouraged by the occupation, use, modification and recent change). Given the different disciplines in practice for developing individuals, the values that are applied as a strong influence on the project plan and construction are different. Many values are reported in some way, while many others are left to be desirable from the behavior of members. This is at the expense of individuals since they do not generally realize their own values until the issues that violate them appear and which most obviously become dangerous to them (Beng et al., 2017).

In this way, it is clear that regardless of whether the values of the members have been resolved at the underlying stages of the project, and the specific chain of importance being transferred and recognized, the value structure may be “debilitated” as such with changes to the air traffic management system, enrolment advances, and member capacity on project management and project performance. The result is that the relevant values ensure the desired change in performance, thus creating discrepancies in the cause of performance evaluations. Furthermore, early value structures may be settled through early options and recognition procedures with the ultimate goal that may result in a subsequent correction of huge expenses free of charge (Al-Fadhali, 2018).

Authors such as Winch (2002); Smith (2002) agree that the criteria for evaluating the proposals and the subsequent selection of the contractor are considerably influenced by the type of contract adopted for the project. In this sense, the main criteria to be taken into account according to the type of contract are shown below. In lump sum contracts, the best proposal is sought in economic terms, that is, the one with the lowest cost, but with the best program in such a way that the specifications are met. In the unit price contracts, the bidder is sought who has the best skills and resources for the design and management of the project, as well as the ability to execute the construction in such a way that the client is sure that the project requirements are met.

Finally, in the incentive contracts (reimbursable cost), the proposal that will give greater value to the project for the amount of money agreed is sought. As mentioned in 3.2, Winch (2002) points out that one of the new trends that have appeared in recent years is the Best Value Procurement Recruitment, which is an innovative alternative for choosing the winner of a tender contest. According to Winch (2002), this consists of establishing an average between the price offered and the level of quality of the associated technical proposal, in order to compare the scores of all offers and choose the highest score. In this way, not only will the best economic alternative be chosen, but the proposal is also evaluated from the point of view of the quality that the result of the work may have. Likewise, it indicates that to evaluate the quality of the proposal, it is required that the client establishes before the bidding process the aspects that he considers most influential to achieve the success of the project and assign them a weight

according to their preponderance. These aspects are commonly considered: the registration of previous work carried out by bidders, the preparation and experience of the personnel of the competing companies, as well as an assessment of the tentative solution or technical proposal for the problem posed.

METHODOLOGY

In quantitative research, the objective of the researcher is to determine the relationship between the independent variable and dependent variable or also known as the outcome variables, within the research population. A quantitative research design is usually a descriptive or experimental research design. In this study, the descriptive research design is adopted, meaning that it will be a quantitative descriptive study that is meant to establish association's variables (Chawla & Sodhi, 2011).

In order for that to be a very precise estimate of the relationship between the variables, a descriptive study like this will usually use a sample of a few hundred respondents. The estimate of the relationship between the variables is unlikely to be very biased if there is a high participation rate in a sample that is chosen randomly from the research population. In any kind of study, the characteristics of the research respondents can affect the relationship that is being investigated. In essence, quantitative research is all about quantifying the relationships between variables (Zohrabi, 2013).

In essence, the objective of the quantitative research method is to collect numerical data from a large group of people and then generalize those results to a much larger group of people in order to successfully explain the research phenomenon (Zohrabi, 2013). A quantitative research format is used here because the researcher wants to get a very objective and conclusive outcome to the research problem. It also provides very conclusive answers to the research questions. Besides, when data is collected and analyzed according to standardized and reputable methods, the results are usually quite trustworthy. When the sample size is statistically significant, the results are capable of being easily generalized to a much larger target group (Howell, 2013).

A quantitative survey will be conducted which will act as a method of collecting data for this research. A quantitative survey ideal for use in a cross-sectional study like this, where data is collected just once from the research population. There is generally one kind of survey that is used which is the quantitative survey (Sileyew, 2019).

For this study, the population is the staff who work in the unlisted construction companies in UAE. According to the National Economic Register (2018), the total number of unlisted construction companies operating in the UAE is 11,676. The researcher chose a sample of 382 individuals. The reason why 382 respondents were chosen is because of the recommendation of researchers like Miles, et al., (2014), who claimed that for the number of variables in this study, a sample of more than 250 respondents is required to ensure statistical power and to ensure that the sample will be statistically strong. The random sampling technique involved a sample chosen based on the random of the respondents, which was used in the current study.

The SPSS was used in the study for testing the relationships between the independent variables and the dependent variable.

FINDINGS

There were several tests conducted in this study. The first test was the response rate. As this study aims to explore the role of (project value) on the construction project development in the United Arab Emirates, the targeted sample is 382 respondents. As shown in Table 1, 500 questionnaires were distributed to the sample. From the distributed questionnaires, 411 were returned and collected, 382 questionnaires were the net returned and usable questionnaires with a percentage of 76.4%, as 27 questionnaires are neglected due to incomplete information.

Response Rate	
Questionnaires Distributed	500
Returned	411
Unusable Questionnaires	27
Returned and Usable	382
Not Returned	89
Response Rate	82.20%
Usable Response Rate	76.40%

This study also applied the missing values analysis test. In some situations, one or more observation dates produce invalid or missing values. The ignore solution simply discards the missing value of the time series, but based on several scholars such as A. Little and Rubin (2014) accept a missing value within 15% to 25%, and considered it common. Table 2 confirms that the total missing values numbers for the variables (project value and construction project development in the United Arab Emirates) are within the acceptable range from the total observations of the study.

Variable	Number of Missing Values
Project Value	3
Construction Project Development in the United Arab Emirates	2
Total	5

In statistics, an outlier is an observation that is numerically distant from the rest of the data. In other words, an outlier deviates markedly from other members of the sample.

Outliers arise due to changes in system behavior, fraudulent behavior, human error, instrument error, or simply natural deviations in populations (which occur by chance in any distribution, or when the population has a heavy tail distribution).

The processing of outliers is a large and complex issue, and it depends on how much effort a researcher wants to invest in it and the effectiveness of the researcher's means of detecting the outliers.

Table 3 reveals that the outliers found in the research model are not a big issue. The outliers were classified as tolerated within the analysis.'

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.3939	4.6535	2.6646	0.61459	382
Std. Predicted Value	-2.067	3.236	0	1	382
Standard Error of Predicted Value	0.027	0.098	0.048	0.012	382
Adjusted Predicted Value	1.3925	4.6368	2.6645	0.61401	382
Residual	-1.00041	1.31126	0	0.39436	382
Std. Residual	-2.52	3.303	0	0.993	382
Stud. Residual	-2.546	3.323	0	1.001	382
Deleted Residual	-1.02104	1.32679	0.00007	0.40057	382
Stud. Deleted Residual	-2.565	3.368	0.001	1.005	382
Mahal. Distance	0.706	22.261	4.987	3.256	382

Cook's Distance	0	0.041	0.003	0.005	382
Centred Leverage Value	0.002	0.058	0.013	0.009	382
a. Dependent Variable: PD					

Convergent validity consists of establishing a link between performance on the test we are considering, and performance on some other criterion that is taken as an important indicator of the construct (American Educational Research Association, American Psychological Association, & National Council on Measurement in Education, 2014; Hogan, 2004). One of the approaches to establish convergent validity is to compare the score of the evaluated test with another test (Carretero-Dios & Pérez, 2007; Hogan, 2004). In this case, the concepts of convergent validity and discriminant validity take on importance. The first understood as the positive correlation between the tests considered, which would indicate that both tests recruit the same process. And the second is understood as the absence of statistical correlations between the test scores, which would indicate that the tests in question do not involve the same processes (Hogan, 2004).

For the current research, the value used to test the convergent validity is the Average Variance Extracted (AVE). When the value of AVE is greater than 0.5 then the variable shows good construct validity. Table 4 shows that the variables (project value and construction project development in the United Arab Emirates) have got acceptable AVE values, which were ranged between 0.803 and 0.799.

Constructs	(AVE) (> 0.5)
Project Value	0.803
Construction Project Development in the United Arab Emirates	0.799

The means, standard deviation, minimum, and maximum for independents and dependent constructs were examined using the descriptive analysis. Table 5 shows the results of statistical values. All constructs in this study have been estimated on a five-point Likert scale. The results on table 5 shows that the total mean for the study variables (project value and construction project development in the United Arab Emirates) ranges between 3.4288 and 3.6598 respectively. These results confirm that the majority of respondents were in average agreement with the items stated in the questionnaire. Also, these results also confirm the essential role of the independent variable in breaking monopolies. Furthermore, the standard deviations for the variable were 0.87458 and 0.73181 respectively.

Constructs	N	Minimum	Maximum	Mean	Std. Deviation
project value	382	1	5	3.4288	0.87458
construction project development	382	1	5	3.6598	0.73181

Based on the above tests that were conducted, the data is valid for testing the relationships of the study, this study has applied the direct effect test to find out the type of relationships between the project value and construction project development in the United Arab Emirates. These results are illustrated in Table 6. This test has revealed the following conclusions:

There is a significant and positive impact of project value on construction project development in the United Arab Emirates, with $r=0.122$ and $p\text{-value}=0.000$.

Table 6					
DIRECT EFFECT					
Relationship	Std Beta	Std Error	t-value	p-value	Decision
PV -> CPD	0.122	0.142	2.864	0.034	Supported

Where PV; project value, CPD; construction project development in the United Arab Emirates

DISCUSSION

This study has found a statistically significant relationship between the proposed variables. Thus, this study can accept the proposed hypothesis. This result is in line with what was suggested in other studies, it is clear that regardless of whether the values of the members have been resolved at the underlying stages of the project, and the specific chain of importance being transferred and recognized, the value structure may be “debilitated” as such with changes to the air traffic management system, enrolment advances, and member capacity on project management and project performance. The result is that the relevant values ensure the desired change in performance, thus creating discrepancies in the cause of performance evaluations. Furthermore, early value structures may be settled through early options and recognition procedures with the ultimate goal that may result in a subsequent correction of huge expenses free of charge (Al-Fadhali, 2018).

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CONCLUSION

The construction industry is a very wide and big industry that allows any state to develop a whole country quickly in terms of infrastructure and capital income. This industry requires the involvement of strategies and innovations to ensure that the project management is on the right path. The improvement and evolution of the construction projects management is a result of strategies and innovations development in the current era. Implementing the right strategies and

innovations reduces time and cost of a construction project and allows it to be done within the stipulated time (Ball, 2014).

The main objective of the current study was to identify the impact of project value on construction project development in the United Arab Emirates. This study has applied the quantitative approach to collect the data through a questionnaire instrument from 382 respondents.

This study has found that all hypotheses in the current study are supported. It shows that there are positive and significant relationships between project value and construction project development in the United Arab Emirates.

The unfitting strategic management in many construction sites is a consequence of not having an adequate strategic management model. This situation tends to slow down the deadlines of the work execution. It is recommended to carry out the work efficiently, it is essential to make decisions based on a methodology or a system. In addition, in case of arising problems, the project manager should be able to solve them more quickly and efficiently if there is a strategic management system.

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