ASSESSMENT OF THE PERFORMANCE OF LOCAL AND FOREIGN ROAD CONSTRUCTION FIRMS IN GHANA

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Abstract
The apparent imperfect competition that exists between local and foreign construction firms, coupled with the perception that governments give most of the big projects to the foreign firms has brought about the need to undertake a comparative study. The aim of this study was to determine whether there is a significant difference between the performance of local and foreign road construction firms in Ghana. The study involved a cross-sectional survey that used a structured questionnaire administered to 69 respondents of road construction professionals. The results ranked foreign firms significantly higher than their local counterparts in terms of effective cost management, time management and quality management practices at 95% confidence level. Therefore, the study found the foreign road construction firms more efficient in terms of performance (cost, time and quality) than their local counterparts in Ghana.

Keywords
Performance management, road construction firms, construction industry, time management, cost management, quality management

INTRODUCTION

The construction industry generally plays a vital role in every nation’s economy due to the usage of its products such as roads, buildings and dams for the production of goods and services as well as the employment it generates. An enhanced productivity has a positive effect on the Gross Domestic Product (GDP) of every nation. In spite of the immense size and significance of the construction industry to the economies of most nations, its productivity is one of the controversial and least understood factors (Haskell, 2004). The construction industry accounts for about one-third of gross capital formation, therefore governments have major role as clients and regulators of construction companies (Kenny, 2007).

The relatively important role played by the client in the implementation process of a project has been well acknowledged (Bennet et al., 1988; Latham, 1994; Yisa and Edwards, 2002). With regard to improvements required in the industry, Latham (1994) emphasised the need of the government as a client to deliberately set out to use their spending power to assist the productivity and competitiveness of the industry, in