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INVESTIGATING ORGANIZATIONAL CAPABILITY VIS-À-VIS HUMAN ACTION TO MINIMIZE POST-CONTRACT TRANSACTION COSTS IN D&B PROJECTS

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Abstract: This paper examines the role of human action for benefits realization with respect to minimizing post-contract transactions costs (PTCs) in D&B construction projects. PTCs are commonly associated with monitoring and control, dispute resolution, and implementation activities during the construction phase of projects. It is also an attempt to reaffirm the potentialities of the D&B procurement approach. The relationship between the independent constructs of contractors' team-competency and team-commitment with the dependent construct PTC in Malaysian D&B projects are examined by hypothesis testing. Questionnaire survey data from a sample of major D&B contractors in Malaysia was analysed using SmartPLS 3 to test the two main hypothesis. The questionnaire survey was designed based on collation of relevant past literature findings and validated using a Delphi study undertaken with D&B experts. Results indicate that contractor team-commitment has an overall positive and significant influence on minimizing PTCs whilst team-competency has a strong positive and significant influence. The findings also confirm that affective commitment of D&B contractors' team to be the most significant factor. These findings establish the extent to which human agency within its interplay with structure can impact on construction project performance in D&B projects.

Keywords: Benefits realization, competency, post-contract transaction costs (PTCs), design & build projects.

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