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RESEARCH ARTICLE

Stakeholder Perspectives on Organizational Performance Failure in Malaysia Construction Projects

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ABSTRACT - The construction industry is often associated with failures in organizational performance, which can result in substantial economic challenges and hinder project delivery. This study investigates key stakeholder perspectives on organizational performance failures in Malaysia's construction sector. A qualitative approach was adopted using open-ended questionnaires completed by 155 respondents from contracting firms, developers, consultants, and public agencies. Thematic analysis revealed recurring challenges in leadership, communication, resource allocation, and project management. These findings highlight the interconnected nature of organizational deficiencies and underscore the need for leadership development, improved collaboration, and strategic planning. The study contributes stakeholder-grounded insights for enhancing organizational performance in construction projects.

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1. INTRODUCTION

The construction industry plays a vital role in driving national development and infrastructure growth. Globally particularly in Malaysia, this sector continues to face persistent organizational performance challenges such as project delays, cost overruns, and quality issues, which threaten its overall productivity and sustainability [1],[2]. The complexity of construction projects (characterized by numerous stakeholders, coordination demands, and external pressure) makes them particularly prone to inefficiencies [3]. Despite ongoing advancements in project management tools and frameworks, Malaysian construction organizations still report a high frequency of underperformance, signalling deeper systemic issues [4], [5]. Although numerous studies have explored the factors contributing to construction project failures, much of the existing literature leans heavily on quantitative metrics such as budget variances and timeline deviations. These studies often overlook the lived experiences and insight of key stakeholders such as project managers, engineers, and contractors who are directly involved in project execution [6;7]. Recent critiques by Gunduz et al., [8] and Al-Salahi et al., [9] have emphasized the importance of capturing stakeholder-informed perspectives to better understand complex and interconnected failures, including poor leadership, resource misallocation, and communication breakdowns. However, there remains a research gap in employing qualitative methodologies to extract these insights within the Malaysian context. Therefore, this study aims to examine stakeholder perceptions to identify recurring themes that contribute to performance failure in Malaysian construction organizations, using thematic qualitative analysis. By focusing on the subjective experiences of 155 construction professionals, this research provides nuanced and actionable insights into the underlying causes of organizational underperformance. The findings are expected to inform strategic interventions and policymaking to enhance leadership, resource management and stakeholder coordination in the Malaysian construction sector.

1.1 Organizational Performance Failure and Related Work

Organizational performance failures in the construction industry are widely recognized as a persistent issue that impedes project efficiency, business and cost management, and overall project success. Numerous studies have identified several key causes that contribute to these performance issues. One of the scholars' works by Damayanti [10] discussed how inadequate leadership and insufficient resource allocation are leading contributors to project delays and failures. Leadership deficiencies in construction often result in poor decision-making, lack of strategic direction, and misalignment between project goals and resources. Similarly, inadequate resource management often manifests in the misallocation of materials and personnel, which worsens project complexity [11]. Understanding these common causes is essential for developing effective strategies to enhance organizational performance in construction. Furthermore, Xiong et al. [12] propose that project complexity establishes a pivotal factor in construction-related failures. Projects in the construction industry often involve a vast array of tasks, technologies, and personnel, requiring thorough coordination and management. When these complexities are not properly managed, the result is a cascade of failures ranging from missed deadlines to cost overruns. Additionally, construction projects face significant external risks such as regulatory changes,

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market volatility, and supply chain disruptions, all of which add layers of complexity that must be managed effectively to avoid organizational failure.

1.1.1 Leadership and decision-making failures

Leadership quality is widely acknowledged as a critical determinant of organizational performance in construction. Love et al. [1] assert that effective leadership positively influences team coordination and decision-making, thereby reducing delays and inefficiencies. Similarly, Xiong et al. [12] highlight that transformational and participative leadership style are strongly correlated with project success. However, while both studies focus on leadership style and its measurable outcomes, they do not fully account for stakeholders' lived experiences in navigating leadership deficiencies in real project settings. Damayanti [10] emphasizes that inadequate leadership and limited strategic direction contribute significantly to failure in large-scale infrastructure projects. Zuhairy [13] further stress that the absence of leadership development programs in Malaysia exacerbates project underperformance. Although these studies describe what leadership failures look like, they rarely explore how they are perceived and experienced by those directly involved. Thus, this study builds on existing literature by incorporating stakeholder-informed qualitative insights into leadership and decision-making issues, which are often absent from quantitative research.

1.1.2 Communication and stakeholder misalignment

Effective communication is essential to the success of complex construction projects involving multidisciplinary teams. Safapour et al. [6] identify weak communication channels as a leading cause of misunderstanding, rework, and budget overruns. Likewise, Jelodar et al. [3] argue that communication breakdowns often stem from the misalignment of stakeholder expectations, ultimately reducing organizational coherence. Walker et al. [14] emphasize the importance of stakeholder perspectives in understanding coordination barriers and communication inefficiencies. While these studies offer conceptual models of communication dynamics, few delve into how communication failures are subjectively experienced in practice. This study contributes to the literature by presenting thematic evidence from stakeholder narratives on how miscommunication and stakeholder disconnection directly influence construction project outcomes.

1.1.3 Resource allocation and financial constraints

Resource planning and financial stability are long-standing challenges in construction management. According to Love et al. [1], poor resource allocation contributes to increased costs, delays, and lower productivity. Dixit [11] confirms that fragmented planning systems and insufficient human capital frequently result in project inefficiencies and cost overruns. Gunduz et al. [8] identify financial mismanagement as a central cause of failure in construction projects. Despite the availability of advanced project management tools, these problems persist that suggesting a misalignment between planning theory and on-ground realities. Existing research typically employs quantitative measures *(e.g., cost variance, budget compliance),* but lacks qualitative exploration into how stakeholders interpret and experience resource-related challenges. This study addresses this gap by using thematic analysis to capture stakeholder perspectives on budgetary constraints, skill mismatches, and logistical inefficiencies.

1.2 Malaysian Construction Context

The Malaysian construction industry is affected by multifaceted issues including regulatory changes, labour shortages, and inconsistent project governance [2]. Zainal Abidin and Pasquire [4] point to the importance of human capital, leadership, and knowledge-sharing practices in enhancing organizational resilience. However, the integration of these variables into a cohesive performance framework remains underexplored. Safwan et al. [5] examine HRM practices and their impact on performance in the Malaysian public sector but stop short of addressing project-level dynamics. Similarly, many Malaysian studies focus on macroeconomic or policy-level factors, often neglecting micro-level challenges experienced within construction teams. By focusing on stakeholder perceptions within the Malaysian context, this study complements existing work and offers context-specific insights that are critical for formulating practical interventions. However, there is a noticeable gap in research integrating these factors into a comprehensive performance framework for the Malaysian context, such as the Extended Contingency Theory.

1.3 Stakeholder Perspective on Organizational Performance Failures

The comprehension of the viewpoints held by essential stakeholders such as project managers, engineers, contractors, and clients; is imperative for enhancing organizational efficacy within the construction sector. The participation of various stakeholders in construction endeavours implies that performance results are influenced by their collective contributions and governance. Walker et al. [14] contend that stakeholder perspectives provide significant insights into the underlying factors contributing to performance deficiencies, particularly concerning resource allocation, leadership efficacy, and project coordination. The insights of project managers, for instance, frequently underscore challenges associated with project timelines, communication with subcontractors, and the coordination of multifaceted activities. Similarly, engineers typically concentrate on technical inadequacies, such as design imperfections or equipment failures, which adversely affect project performance. Akintoye and MacLeod [15] and Aung et al. [16] argue that contractors' perspectives on risk management and financial instability provide further context on how performance failures manifest in the construction process. The integration of these diverse stakeholder perspectives is vital because it offers a comprehensive view of where and why performance failures occur. Construction projects are characterized not only by their technical complexity but also by the meticulous management of relationships, expectations, and responsibilities

among diverse stakeholders. Consequently, the inability to effectively align these perspectives can significantly increase the likelihood of organizational underperformance.

1.4 Gaps in Existing Research

While a substantial body of literature addressing the root causes of performance failures within the construction sector, much of the research primarily focuses on quantitative measures such as cost, time, and scope, often overlooking the complex subjective experiences of stakeholders. Safapour et al. [6] emphasize that effective internal communication and leadership are critical in construction projects, highlighting that poor communication leads to cost overruns and delays. Similarly, Bal et al. [7] discuss the importance of engaging stakeholders to capture the complexities in construction projects, including leadership dynamics and misaligned priorities. In light of this, Safapour et al. [6] and Bal et al. [7] argue that while existing studies provide critical data on performance metrics, they often fail to capture the lived experiences of individuals directly involved in construction projects. Thus, this represents a significant gap, as qualitative insights from stakeholders can reveal underlying issues such as poor leadership dynamics, communication barriers, and misaligned priorities that may not be evident from quantitative data alone.

Furthermore, Gunduz et al. [8] emphasize the vital importance of qualitative research methodologies in clarifying intricate organizational phenomena, particularly in construction where human factors hold considerable significance. The limited use of qualitative methods in the current body of literature creates an incomplete understanding of why organizational performance failures occur. By adopting a thematic qualitative approach, as proposed in this study, researchers can delve deeper into stakeholder perceptions, offering richer insights into the systemic failures that contribute to underperformance [9].

2. RESEARCH METHODOLOGY

This research employed a qualitative methodology utilizing thematic analysis to systematically examine and interpret the perceptions of key stakeholders regarding organizational performance failures in the Malaysian construction industry. The methodology aims to enhance clarity and comprehension, incorporating a flowchart to visually depict the research process *(See: Figure 1)*.

2.1 Research Design

This study employed a qualitative research design by using open-ended survey questions distributed via Google Forms to explore stakeholder perceptions of organizational performance failures in the Malaysian construction industry. The qualitative approach was chosen to capture rich and context-specific insights that quantitative data often overlook [17]. Although the instrument was web-based, the use of open-ended survey questions allowed respondents to elaborate freely, mimicking elements of a semi-structured interview in written form. Unlike typical survey data, the responses provided in-depth qualitative narratives suitable for thematic analysis. This methodological adaptation is particularly beneficial when large sample sizes make individual interviews impractical.

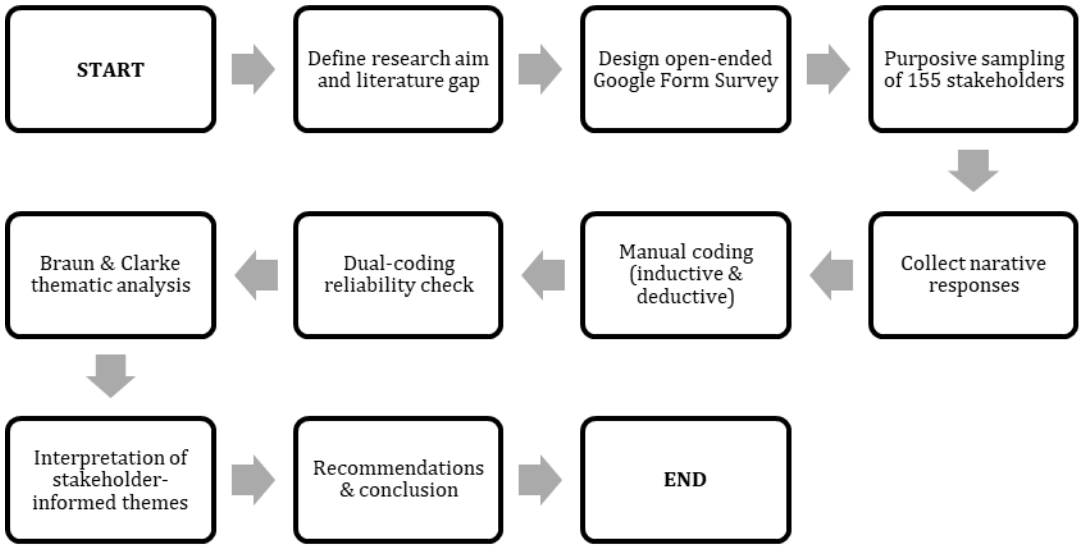

Figure 1. Research process flow

The rationale for employing thematic qualitative analysis stems from the need to capture the nuanced views of diverse stakeholders, each contributing unique insights into the factors influencing organizational performance failures. While quantitative methods provide valuable data, they often fall short in addressing the intricate interpersonal and organizational dynamics at play. Qualitative methods, particularly thematic analysis, enable the exploration of subjective experiences, giving voice to respondents and allowing for the identification of key themes that might be overlooked in more rigid methodologies [18]. A simplified version of the research process is illustrated in Figure 1 above.

2.2 Sampling and Respondent Profile

The study collected responses from 155 construction professionals, including project directors, managers, engineers, and executives from G7 contractor organizations, developers, consultants, and government agencies. The sample was purposefully diverse, covering both public and private sector projects across various geographic regions. This diversity enhances the credibility and transferability of the findings [19]. Participants were selected through a combination of purposive and snowball sampling techniques. Respondents were required to have at least three years of project experience to ensure informed perspectives. Table 1 presents detailed demographic and organizational characteristics of the sample.

Table 1. Respondents demographic profile (n=155)

Demographic	Categories/Items	Overall	
		Frequency (*n*)	Percentage (%)
Position	Project Director	18	11.6
	Project Manager	41	26.5
	Construction Manager	38	24.5
	Project Executive	27	17.4
	Others	31	20.0
Type of Organization	Contractor	97	62.6
	Developer	18	11.6
	Consultant	17	11.0
	Public Agencies	17	11.0
	Others	6	3.9
Type of Project managed	Public project	38	24.5
	Private project	41	26.5
	Both public & private project	76	49.0
Years of experience in the industry (working)	Less than 5 years	28	18.1
	5 to 10 years	38	24.5
	11 to 15 years	58	37.4
	More than 15 years	31	20.0
Qualification	PhD	3	1.9
	Master	59	38.1
	Undergraduate Degree	76	49.0
	Diploma	9	5.8
	Professional Certificate	6	3.9
	High School Certificate	2	1.3
Gender	Male	121	78.1
	Female	34	21.9
Age	Less than 30 years old	14	9.0
	31 - 40 years old	85	54.8
	41 - 50 years old	42	27.1
	More than 50 years old	14	9.0

[a] (Source: Anuar, K.F. et.al, 2025)

2.3 Data Collection and Reliability

Data were collected using an online (web-based) open-ended survey questionnaire designed to probe participants' (target respondents) experiences with organizational performance failures (challenges). Respondents were invited to describe specific issues they had encountered, their perceptions of leadership, communication, resource allocation, and other relevant project-level factors. The survey was conducted over a six-week period to ensure adequate response time.

In light of this, manual coding was conducted using a hybrid approach in both inductive (data-driven) and deductive (theory-driven) is to capture both emerging insights and theoretically relevant constructs [18]. Thus, to enhance coding reliability, a dual-coding strategy was employed in this research carried out where a second coder independently reviewed 20% of the responses. Discrepancies were discussed and resolved, improving inter-coder agreement and thematic consistency. While data saturation was not predetermined, it was considered reached once new responses consistently repeated existing themes without introducing novel patterns [20]. This ensured confidence in the thematic categories developed.

2.4 Data Analysis: Thematic Approach

Thematic analysis was conducted following Braun and Clarke's [21] six-phase framework: The process involved: (1) familiarization with the data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the final report. This structured approach enabled a thorough examination of stakeholder perceptions and facilitated the identification of recurring patterns related to organizational performance failures in the construction sector. These steps were applied iteratively to ensure that themes accurately reflected the dataset. Figure 2 illustrates the phases involved in this research's thematic analysis.

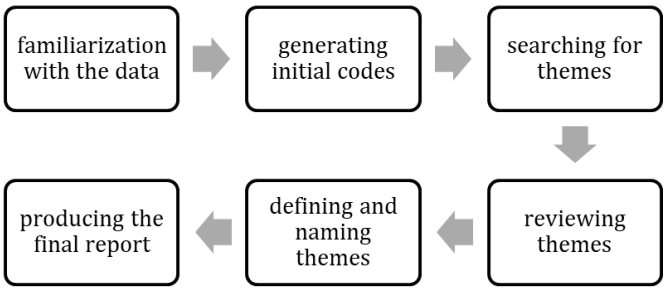

Figure 2. Phases involved in thematic qualitative analysis

As illustrated in Figure 2, the initial phase of thematic qualitative analysis involves familiarizing oneself with the collected qualitative data. Familiarization allowed the researcher to immerse themselves in the data, identify key ideas and begin to notice recurring patterns or themes. This requires careful reading and re-reading to develop a comprehensive understanding of its content. All-in-depth open-ended survey questions responses were recorded and analyzed to ensure accuracy and completeness. This step was crucial for creating a detailed and reliable dataset for analysis. Following this, researchers generate initial codes by identifying significant features relevant to their research questions and tagging these elements accordingly. Codes were generated by identifying meaningful units of text, such as phrases, sentences, or paragraphs, that capture specific ideas, experiences, or perspectives related to organizational performance failure. As mentioned earlier in 2.3, to this research carried out, coding was done manually using a combination of inductive (data-driven) and deductive (theory-driven) approaches to ensure that both emerging themes and pre-existing concepts from the literature were captured.

Once the coding is complete and generate, the next step is to search for broader themes by collating these codes into broader categories that capture significant patterns within the data. Themes are patterns of meaning that recur across the dataset and provide a coherent understanding of the research topic. During this stage, the researcher grouped related codes and refined them to create meaningful and distinct themes. This leads to a review of the identified themes to ensure they accurately reflect the dataset as a whole, ensuring coherence and distinctiveness among them. Themes that were too broad were split into sub-themes while overlapping or redundant themes were merged. This iterative process ensured that the final themes were clear, well-defined, and reflective of the participants' experiences.

Researchers then proceed to refine and designate these themes, offering detailed descriptions that elucidate their interconnections and relevance to the research inquiries. Definitions were based on the underlying meaning shared across multiple data points, and each theme was linked to the corresponding research objective to ensure conceptual alignment. The final step in the process is producing a comprehensive paper that presents the findings, showcasing the identified themes alongside qualitative data, such as direct participant quotes, to support the findings. This systematic methodology not only enhances the analytical depth but also ensures that participants' perspectives are appropriately represented in the study's findings.

2.5 Ethical Considerations

Ethical considerations were a priority throughout the research process. Before conducting the web-based open-ended survey questions, informed consent was obtained from all participants. Participants were provided with detailed information about the study's purpose, procedures, and their rights before voluntarily agreeing to participate, including the right to withdraw at any time. Moreover, confidentiality and anonymity were ensured by using pseudonyms, which referred to the businesses, removing identifying information from the data, and storing the data securely to protect participants' privacy. The interview inputs and interview responses are stored securely and accessible only to the researcher. Additionally, the researcher-maintained transparency and integrity by accurately representing the participants' voices and avoiding any misrepresentation of the data. The research process was designed to avoid any psychological, financial, or reputational harm to participants.

3. RESULTS AND DISCUSSION

3.1 Profile of Respondents

This research focuses on respondents from G7 contractor organizations, as identified in the Construction Industry Development Board (CIDB) Directory, developers, consultants, and government agencies in the Malaysian construction

industry. The demographic profile of these respondents which includes seven key questions regarding their background, such as current position, type of organization, project involvement, years of experience in the construction sector, academic qualifications, gender, and age group. This information is crucial for understanding organizational performance failures within the Malaysian construction industry. The demographic data reveals that a significant portion of the respondents hold senior positions: 26.5% are Project Managers, 24.5% are Construction Managers, 17.4% are Project Executives, and 11.6% are Project Directors. Additionally, 20% occupy other important roles such as Senior Manager and Site Supervisor. This distribution emphasizes the focus on leadership and decision-making within construction project management, ensuring that the findings will be relevant for analyzing the determinants of organizational performance from the perspective of Malaysian construction organizations.

Furthermore, a substantial majority of respondents (62.6%) are affiliated with contracting firms, underscoring the critical role that contractors play in executing construction projects in Malaysia. In contrast, a smaller percentage is associated with developers (11.6%), consultants (11.0%), and government agencies. This diverse representation enhances the reliability of insights into organizational performance determinants. Regarding project categories, nearly half of the participants (49%) manage both public and private sector initiatives, while 26.5% focus solely on private sector projects and 24.5% on public sector projects. This broad engagement illustrates the versatility required to manage diverse project demands, especially in an emerging economy where both public infrastructure and private developments are vital for growth.

In terms of professional experience, 37.4% of respondents have between 11 and 15 years in the construction industry, indicating a seasoned workforce capable of navigating its complexities. Additionally, 24.5% have 5 to 10 years of experience, while 20% have over 15 years, and 18.1% possess less than 5 years of experience. This diversity enriches the study's reliability by incorporating insights from professionals at various career stages. The academic qualifications of respondents further enhance the study's credibility: nearly half (49%) hold an undergraduate degree, while 40% have pursued postgraduate studies (Master's or PhD). A smaller percentage holds diplomas (5.8%) or professional certifications (3.9%), with only a nominal number (1.3%) having completed secondary education. This distribution highlights the importance of higher education in preparing individuals for leadership roles within the construction industry.

Gender distribution indicates a predominantly male workforce, with 78.1% identifying as male and only 21.9% as female, reflecting a global trend of gender imbalance in the construction sector. Age-wise, most respondents fall within the 31 to 40 age range (54.8%), followed by those aged 41 to 50 (27.1%). Smaller proportions include individuals over 50 and those under 30 (each at 9%). These findings suggest that the workforce primarily consists of mid-career professionals with significant industry experience, who likely play pivotal roles in enhancing organizational performance and contributing to industry advancement.

3.2 The Results of Thematic Analysis: Organizational Performance Failures in Malaysia Construction Projects

This section presents the results of the thematic qualitative analysis based on 155 responses from professionals in the Malaysian construction industry. Using Braun and Clarke's framework, the analysis identified seven dominant themes contributing to organizational performance failures. These include: (1) Poor Communication, (2) Inadequate Resource Management, (3) Leadership Deficiencies, (4) Teamwork and Role Clarity Issues, (5) Financial Constraints, (6) Poor Project Management Practices, and (7) Other Organizational Barriers. The themes are detailed below was illustrates in Table 2 and are supported by illustrative participant or respondent quotes to capture stakeholder perceptions more vividly.

Table 2. The results of thematic analysis

No	Theme	Results and Findings
1	Theme 1: Poor Communication	Participants overwhelmingly identified poor communication as a core challenge. Coordination breakdowns between departments and unclear messaging were recurrent issues. *"The communication between departments is always disjointed, leading to misunderstandings and errors on the ground."* *"Our messages don't get across; errors repeat because people don't understand instructions clearly."* *(Project Manager, Private Sector)* This echoes findings by Safapour et al. [6] and Jelodar et al. [3], who found that fragmented communication inflates project risks and delays. Respondents cited inconsistent updates, a lack of shared documentation, and minimal feedback loops as causes of misalignment.

Table 2. Cont.

No	Theme	Results and Findings
2	Theme 2: Inadequate Resource Management	Respondents highlighted resource shortages and ineffective planning as major contributors to underperformance. Common concerns included late material deliveries, poor manpower scheduling, and skill mismatches. *"We frequently encounter delays because resources are not allocated effectively at the inception of the project. This adversely impacts both our schedules and expenditures."* *"We often get stuck waiting for materials or the right people. It causes chain reactions in the schedule."* *(Site Supervisor, G7 Contractor)* This finding aligns with Love et al. [22] and Dixit [11], who reported that misallocated resources directly compromise project efficiency.
3	Theme 3: Leadership Deficiencies	Leadership gaps were cited in relation to indecision, weak strategic direction, and poor delegation. Several participants described management as reactive rather than proactive. *"Our leadership lacks the capacity to make timely and informed decisions, which often results in unnecessary delays."* *"Leadership doesn't take timely action. They wait too long to solve problems until it's too late."* *(Project Engineer, Public Infrastructure)* Such deficiencies impact morale and decision-making speed, reinforcing the arguments made by Xiong et al. [12] regarding the correlation between leadership competence and performance outcomes. Zuhairy et al. [13] argue that inadequacies in leadership can reduce employee motivation and impede the successful execution of projects, consequently resulting in inefficiencies within the organization.
4	Theme 4: Teamwork and Role Clarity Issues	A lack of team cohesion and confusion about responsibilities hindered execution. Respondents noted overlaps in authority and unclear accountability frameworks. *"No one knows who's really responsible when things go wrong. Everyone points fingers."* *(Senior Executive, Developer Organization)* These observations reflect Jelodar et al. [3], who stress the importance of well-defined team structures in managing project complexity.
5	Theme 5: Financial Constraints	Limited budgets, delayed payments, and poor cash flow planning were highlighted as pressing financial concerns. *"Payment delays cripple small contractors; we can't move without funds, and the site just halts."* *(Contractor, Substructure Works)* This mirrors Gunduz et al.'s [8] findings that financial instability severely impacts construction timelines and workforce continuity.
6	Theme 6: Poor Project Management Practices	Respondents reported weak project tracking, last-minute changes, and the absence of structured planning tools. This theme overlapped with leadership and resource challenges. *"There's no proper system for tracking progress; everything is manual and reactionary."* *(Project Planner, Consultant Firm)* This supports Love, Smith, and Li [22], who link low digital adoption and informal management practices to rework and schedule slippage.
7	Theme 7: Other Organizational Barriers	Additional factors mentioned by fewer respondents were grouped under this theme. This included resistance to change, bureaucratic delays, corruption, outdated practices, and a lack of innovation. *"The frequent changes in regulations force us to adjust project plans and increase costs, which impacts overall performance."* *"We keep doing things the old way; no digital tools, no innovation, just paper and chaos."* *(Construction Manager, Mixed-Use Project)* While not as dominant, these barriers still contribute to systemic inefficiencies and support Oyewobi and Adebayo's [23] argument for adaptive project frameworks in emerging economies.

Table 3 illustrates the summary of thematic findings to this research carried out.

Table 3. Summary of thematic findings

Theme	Description	Illustrative Keywords
Poor Communication	Misunderstandings, unclear instructions, fragmented channels	Disjointed, miscommunication, delays
Inadequate Resource Management	Material delays, labor issues, skill mismatches	Underutilized, unavailable, inefficient
Leadership Deficiencies	Weak direction, indecision, lack of vision	Inactive, slow decisions, reactive management
Teamwork and Role Clarity	Ambiguity in roles, lack of cohesion, blame culture	Disconnected, unclear tasks, no ownership
Financial Constraints	Budget shortfalls, payment delays, weak cost planning	Cash flow, unpaid, halted
Poor Project Management Practices	Lack of planning, manual tracking, chaotic changes	Unsystematic, disorganized, informal
Other Organizational Barriers	Resistance to change, lack of innovation, regulatory complexity	Traditional, political, inflexible

3.3 Discussion

This section interprets the key findings in relation to existing literature and theory, focusing on how stakeholder perceptions contribute to a deeper understanding of performance failures in Malaysian construction organizations. The discussion is structured into three sections: (1) Linkage with Prior Literature, (2) Interconnected Nature of Themes, and (3) Implications for Malaysian Practice.

3.3.1 Linkage with prior literature

This study contributes to the existing body of knowledge by incorporating the perceptions of key stakeholders into the discussion of organizational performance failures. While many previous studies have relied on quantitative data (e.g., project timelines, cost data), this research extends the understanding of performance failures by focusing on the qualitative insights of those who are directly involved in construction projects. Stakeholder perspectives provide a richer, more nuanced understanding of the underlying causes of performance failures, which quantitative metrics alone cannot capture [17].

In light of this, the study reaffirms well-documented barriers to construction performance such as leadership failures [22; 24], communication breakdowns [9], and resource mismanagement [11], [22]. However, unlike prior studies that rely on performance indicators such as budget variance or project duration and this research brings forth stakeholder-informed qualitative insights. Leadership issues were described by participants not just in operational terms but also as morale-draining influences that delay decision-making *(areas often overlooked in quantitative assessments).* Likewise, communication problems were seen as systemic and cultural, rather than isolated failures [3]. Although the concern over resource management mirrors the work of Gunduz et al. [8], thus, this study extends the conversation by highlighting the lived impact of material shortages, workforce mismatches, and process disruptions. By integrating the first-hand experiences of 155 practitioners, this research addresses a methodological void in the literature and reinforcing the value of qualitative inquiry in analyzing organizational performance, as supported by Creswell et al. [17] and Merriam and Tisdell [19].

3.3.2 Interconnected nature of themes

The findings indicate that the themes identified comprises into poor leadership, ineffective communication, inadequate resource allocation, and others was do not operate in isolation. Rather than, they form a chain of causality where one deficiency exacerbates the next and creating a compounding effect that undermines organizational performance. A key theoretical implication relates to the Extended Contingency Theory, where organizational outcomes are shaped by how internal capabilities respond to contextual variables. Leadership deficiencies impair strategic alignment, which in turn destabilizes communication channels and resulting in mismanaged human and material resources. This cascading dynamic suggests that interventions must be systemic rather than compartmentalized.

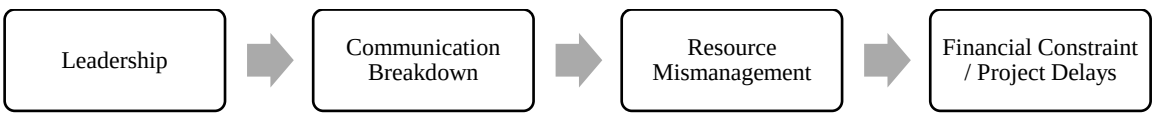

Figure 3. Conceptual model of theme interrelationships

This conceptual model (Fig. 3) highlights the reinforcing cycle of inefficiency, providing a useful frame for future diagnostics and performance audits in the sector.

3.3.3 Implications for Malaysian Practice

This research provides practical guidance for improving organizational performance in the construction industry, with emphasis on Malaysia. Leadership development emerges as a top priority, requiring investment in training that enhances decision-making, strategic planning, and emotional intelligence [12], [13]. Improving communication is equally essential. Frequent breakdowns hinder collaboration and particularly in multi-stakeholder projects. To address this, firms or organizations should implement digital platforms, assign clear roles, and foster transparency to improve coordination [6]; [22]. Resource allocation also demands attention. Project management tools with forecasting features can improve the efficiency of manpower, budgeting, and materials. Strategic alignment of resources is critical to ensuring project success as claimed by Zuhairy et al. [13]. This research suggests interventions at different governance levels:

a) Policy Level: Implement digital standards and leadership development mandates.

b) Industry Level: Formalize SOPs for improved communication and team structure.

c) Project Level: Promote BIM use and real-time tracking for efficient delivery.

Collectively, these measures highlight the need for holistic reform aimed at building more resilient, well-coordinated, and strategically led construction organizations in Malaysia.

4. CONCLUSIONS

4.1 Summary of Key Findings

This study explored the underlying causes of organizational performance failures in the Malaysian construction industry using stakeholder-informed thematic qualitative analysis. The findings highlight recurring systemic issues that can be addressed through targeted strategies. Based on the perspectives of 155 professionals across public and private sectors, the following key conclusions are drawn:

a) Leadership development is foundational to improving project decision-making.

   Inadequate leadership was characterized by indecision, poor strategic foresight, and reactive management; emerged as a primary factor influencing delays and inefficiencies. Prior literature supports that competent leadership directly correlates with better organizational outcomes.

b) Communication and teamwork gaps are closely linked to role ambiguity and coordination delays.

   Misunderstandings and unclear accountability structures hindered project execution. These findings reinforce the need for transparent communication frameworks and defined team roles

c) Financial and resource allocation inefficiencies reduce overall project reliability and continuity.

   Challenges in budget planning, late payments, and mismatched manpower weaken construction progress and escalate risks. These align with the insights past research scholars who emphasize the necessity of integrated resource management systems.

d) Industry-wide Standard of Procedure (SOPs) and leadership training programs can help mitigate these issues.

   The adoption of standardized procedures, competency frameworks, and digital project tracking tools is essential to enhance consistency, especially in high-complexity project environments.

Understanding stakeholder-informed causes of underperformance is essential for designing actionable strategies that enhance project delivery and resilience in Malaysian construction organizations. Future efforts should prioritize integrated leadership development, communication frameworks, and adaptive resource planning as core pillars of sustainable construction performance.

4.2 Limitations and Future Research Directions

While this research provides valuable insights into organizational performance failures within the Malaysian construction industry, several limitations must be acknowledged. Firstly, the study focused exclusively on construction projects in Malaysia, which may restrict the applicability of the findings to other contexts. Variations in culture, economy, and regulations across different regions could influence how these themes manifest in various construction environments. Additionally, the use of semi-structured web-based surveys may not fully capture the depth of stakeholders' perceptions, as face-to-face interviews or focus groups could yield more nuanced insights. Furthermore, relying on self-reported data introduces potential biases, such as social desirability and selective memory recall. These factors highlight the need for attentiveness when generalizing the results and suggest areas for future research to enhance understanding of organizational performance in diverse contexts.

Future research for this research carried out, should aim to broaden the geographical scope of studies on construction performance failures by including comparative analyses across different regions, thereby providing a more global perspective. Additionally, external factors such as market fluctuations, political changes, and legal regulations were identified in this study but not explored in depth; further investigation into these elements could enhance understanding of their impact on organizational performance in construction. Employing a mixed-methods approaches that was

combining qualitative insights with quantitative data like project timelines and financial outcomes could yield a more comprehensive understanding of performance failures and offer stronger empirical support for the identified themes. Addressing these gaps in future research will contribute to the development of more effective strategies aimed at improving organizational performance within the construction industry, particularly.

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CONFLICT OF INTEREST

The authors agree that this research was conducted in the absence of any self-benefits, commercial or financial conflicts and declare the absence of conflicting interests with the funders.

AUTHORS CONTRIBUTION

The first author collected the necessary data, designed the research methodology and the preparation of the writing-first manuscript. The second author contributed by editing the manuscript according to the provided format. The third author reviewed and corrected the grammar of the writing.

AVAILABILITY OF DATA AND MATERIALS

Data was used for the research described in this article.

ETHICS STATEMENT

Not applicable.

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