# Management:SME steering Tool in relationof outsourcing, case of SME'S in construction Malagasy

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#### ARTICLE EN ANGLAIS

The 1980s and 1990s are recognized as having been the era of inter-firm cooperation. The use of the alliance is one of the tools favored by large companies to obtain new market shares or to access to new technologies. SMEs are following suit and are also beginning to consider cooperation as a strategy for development, and even survival for some. Thus, the organizational relationships between alliance partners are the subject of the most important publications.

In an alliance, two or more companies coordinate all or part of their activities to access certain markets, obtain resources or to cope with certain economic constraints together. It follows that the management of an alliance between two or more undertakings can not be analyzed without taking particular account of these effects on their operation.

Alliances therefore have a particular form of inter-organizational relationships in which competitors coordinate their actions in all or part of their activities. According to Boudon, the context influences the behavior of the actors. Crosier and Friedgerg, on the other hand, assert that the actors play a role in the organization of activities and results. In addition, the analysis of the decisions at the level of the directorates working within the cooperative group makes it possible to identify human skills in alliance situations.

It is in this context that the alliance situation between SMEs seems to be developing. The alliance covers a wide variety of forms, but our study boils down to the alliance in the form of subcontracting between SMEs in the construction and public work sector.

Therefore, the question that can be asked is that of the inter-firm coordination mechanisms within the alliance, ie the steering of SME partners in subcontracting. It is because of all the above that we have focused our research on the analysis of the behavior of the client and the level of the contribution of the subcontractors by defining as theme: "Management: SME piloting tool in relation of subcontracting »

The problem that would arise would be the following:

"How could the management system contribute to the success of the relationship management of SMEs linked by subcontracting?"

Three lines of research will be taken into consideration with the following questions:

At the level of the relationship applied by the client.

- What kinds of behaviors should the ordering principal have?
- What will the subcontractor's contribution be?
- How to manage the relationship between the two actors?

In spite of the different objectives of SME outsourcers, and those of SME followers, the community of interests between the partners lies in this form of alliance.

The overall objective of this research would be to check if "The success of a subcontracting project depends on the management system of the client". The specific objectives that relate to this overall objective consist of identifying the managerial capacities and behaviors adopted by the client to achieve the objectives he has set in his action plan. This corresponds to the contractual approach of the ordering companies in the research and the choice of the partners because of the need to subcontract certain works at the level of the construction of the buildings.

Despite the different objectives of SME outsourcers and those of SME followers, the community of interest between partners lies in the success of the relationship by subcontracting and in the renewal of the partnership contract.

Since this research relates to the effects of the management system on the success of subcontracting with SMEs, we proceeded in the first place with a prospecting and documentary research, then in the second place, we dedicated to the field survey and finally a data analysis and interpretation of the results obtained. A sample survey was carried out in order to analyze not only the managerial behavior developed by the managers of SME contractors but also the contribution of subcontractors in the success of a subcontracting relationship.

We proceeded according to a quantitative research methodology, to verify the results obtained from a survey of a sample of 505 SMEs in the Analamanga region. The sample size was calculated on the basis of polling theory with a 95% confidence level and a maximum margin of error of 5.24% with a 50% or a chance ratio. out of two to fall on an SME that can provide us with relevant information. In addition, the choice of the study area is justified by its high concentration of SMEs. The targets were invited to respond to a questionnaire in the form of an opinion poll to extract data on the functioning of subcontracting relationships with SMEs. As for the observation instrument or the sample survey questionnaire, the choice of types of question to be asked focuses on Likert-scale questions where the measures are usually set from 1 to 4 more precisely from the "step of all agree "to" totally agree ". The use of group variables or latent variables has also been of fundamental importance in our study, or the associated items are usually constructed by theoretical bases or by previously performed interview results. Data processing was done with Sphinx and SPSS data analysis software. Indeed, various tests will have to be performed on the results obtained to meet the requirements imposed by a doctoral research. Thus, the use of robust statistical tools, such as Khi-2-test, linear regression, uni and multi-variate analysis, first and second, the analysis of the reliability of the items in the variables latent by the Cronbach Alpha coefficient or the KMO index may prove to be judicious on the treatment or scientific validation of the information obtained may be relevant.

# Conceptual and methodological framework of the study

This research focuses mainly on theories on the subcontracting relationship, the management system of the payer, the operation of SMEs. Models and concept of several authors in the field are exploited to answer our problem.

Subcontracting refers to the fact that a company asks another company to do some or all of the work it has undertaken to supply to a customer. The subcontractor then performs the work requested on behalf of the prime contractor. The subcontractor differs from the simple supplier to the extent that he participates in the work of the company that uses him. Thanks to the subcontracting, the client can master with greater flexibility his commitments to the end customer. In addition, this financial risk may diminish since the ordering company is subject to variable expenses, no longer having staff assigned to the work to be provided. Subcontracting is the subject of a contract concluded between the subcontractor and the client who entrusts him with the tasks to be performed. The drafting of a written contract makes it possible to regulate the relations between the two parts, by fixing in particular the price and the terms of payment, the schedule of works or the modalities of rupture of the contract. Marcel Moisson defines the outsourcing or co -industrial production as: "a market mechanism whereby companies, or independent production units, by a mutual division of labor according to their capabilities or specialties, co-produce products for the market".

Outsourcing is a more or less dependent relationship, an asymmetrical relationship that makes it an inequal exchange situation. Longhi explains that the prime contractor has such power that it can dictate the quantities produced by the subcontractor and fix the price of the goods produced. He can thus have the life and death capacity of a subcontractor.

For SMEs, it is extremely difficult to mobilize all the skills and resources necessary for the proper functioning of the company internally, especially at startup. For a medium or small company, a subcontracting relationship allows out of isolation by developing new business opportunities, yet outsourcing to a third-party entity can involve a number of financial and business-type risks. Moreover, by being a subcontractor, the business has great chances of his side to find work sites and therefore work. Outsourcing offers SMEs and small and medium-sized businesses the opportunity to acquire markets. Their lack of scale does not always allow them to undertake major works or to obtain important markets, or to gain the confidence of the owners of major projects.

The choice of the construction sector for this research is based on the fact that the alliance within this sector is concretized by a temporary organization where the partners combine their resources against a hope of gain. Moreover, in this field, projects are allocated, most of the time to a pool of companies that could be partners. The partners, while remaining legally independent, carry out a joint project ranging from simple sharing of resources to realization of a joint innovation eventually.

#### SMEs in the construction sector

Industrial or construction sector companies are those who use subcontracting the most to carry out a project or a construction site, generally because they do not have the know-how internally or because they lack the capacity to carry out an entire order. In Madagascar, the building and public works sector, or BTP, includes all the design and construction activities of public and private buildings, whether industrial or not, and infrastructures such as roads or bridges. The specificity of the construction sector in Madagascar is its propensity to support all major investment programs in the country (including roads and transport, agriculture and livestock, industrial building and housing, mining, energy). Paradoxically, the sector relies heavily on public and private investment projects to continue to develop or survive.

Currently, thanks to the PND (National Development Plan), Madagascar is changing infrastructure, rehabilitation and construction of infrastructure allow a rebound of public buildings (+ 13% instead of 3% in 2013 and 2014). This situation causes a massive increase in the demand for construction, so several companies specialized or not in this area are scrambling in the field to have their share; but in the face of an inability to execute the entire mission, they resort to subcontractors.

# The dominant building sector

Given that the choice of individuals surveyed is purely random, the results in the table below show that the construction market remains the preferred occupation of SMEs in this sector with a percentage of 71.7% working in this area.

Public works, considering the costs of huge production operations, particularly in the use of large construction equipment such as bulldozers, cranes, compressors, excavators... represent only 8.9% of those interviewed.

Branch of activity

Branch	Frequency
Building	71.7%
Public Works	8.9%
Design offices	19.4%
TOTAL QUOTE	100%

Source: Author, 2015

# The maturity of the construction industry operators

It is clear from the table and graph summary of the results presented below on the age and number of employees in the construction sector in our study area the maturity of the operators.

Indeed, most construction operators are no longer fumbling in their sector of activity because 65% of companies have seven to twelve years of experience. In addition, the number of employees hired ranges from ten to fifty people and that 56.6% of companies in the construction industry, justifies the magnitude of their implications and applications.

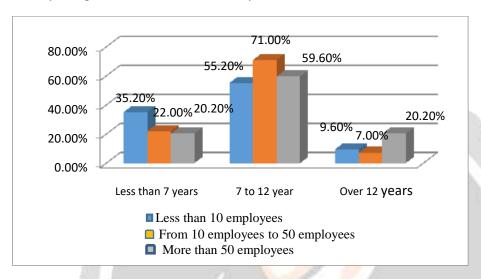
Breakdown of employees by age of business

Workforc	e /	Less than 7 years	7 to 12 years	Over 12 years	TOTAL
Company	age				
Less t	han 10	8.7%	13.7%	2.4%	24.8%
employee	S				

From 10 employees to 50 employees	12.5%	40.2%	4.0%	56.6%
More than 50 employees	3.8%	11.1%	3.8%	18.6%
TOTAL	25.0%	65.0%	10.1%	100%

Source: Author, 2015

In addition, the graph below shows that for companies that opened in the construction sector from seven years to twelve years, at least seven out of ten businesses, specifically 71%, which is in the building and public works sector, work ten to fifty employees. A fact that marks the insurance, the involvement and the risk taken by the operators and marks the maturity of the clients.



Source: Author, 2015

# Outsourcing in the construction sector Degree of knowledge of outsourcing

Subcontracting is defined in BTP as an operation by which a contractor, called the originator, entrusts to a company called the subcontractor, the task of executing all or part of the contract of enterprise or the public contract concluded with the owner. In most cases, the client entrusts the subcontractor with some of the work previously entrusted to him by another company called the client.

Familiarity with the words "outsourcing and partnership" in the management or administration systems of construction companies is considered important **because** only 15.8% of those surveyed declared that they did not know the meaning of the words "subcontracting and partnership".

Familiarity of the words Subcontracting-Partnership

Familiarity of words: Subcontracting-Partnership	Frequency
Not familiar	15.8%
Quite familiar	45.7%
Familiar	38.4%
TOTAL QUOTE	100%

Source: Author, 2015

During the interviews, the managers of the subcontracting companies mentioned that there are several peculiarities that differentiate subcontracting in the construction sector from that of the other sectors. "In the field of construction, subcontracting is very framed. There is an obligation of result and delivery, that is the reason why every modification which can take place during the project which can last several years, is likely to be the object of an amendment to the contract of sub- treatment ".

These leaders mentioned that they manage to define the concept of subcontracting, yet there is still confusion about its particularities in construction. There are several topics that not all subcontractors are supposed to know as the conditions in the planning. The client and the main contractor draw up a provisional timetable for the progress of the works during the preparatory phase. It is according to this document that the

subcontractor is required to provide an execution schedule which is then part of the contract between the donor and the subcontractor.

Any delay must be notified by registered letter with acknowledgment of receipt. In the same way, it is legally impossible for the entrepreneur to go back on the agreed price. In the event of an unforeseen event where additional work becomes necessary, then a written order from the lead company is drafted to execute an addendum to the subcontract.

The delivery of the book is also regulated. In the public domain, the client is informed of the completion of the works with a written statement. Since the final delivery is made at the same time for both the sponsor and the main firm that won the contract, the work of the subcontractor is validated by the receipt of a copy of the acceptance report.

It has been necessary to survey the level of knowledge of the managers of SMEs in construction and public works on the concept of subcontracting and its particularities.

# Reasons for outsourcing

The results of the survey carried out with the principals are added to the declarations of the subcontractors. We can then deduce that four main reasons could be the reason for the relations of subcontracting such as: the obtaining of a too important market, the reduction of the costs, the realization of economies of scales and the incompetence of the staff.

The value of the Cronbach Alpha coefficient equal to 0.745 greater than 0.7 ensures, firstly, the reliability of these items as the main reason for the subcontracting relationship.

Reliability statistics of the reasons for the relationship of subcontracting

Cronbach Alpha	Number of elements
745	4

Source: Author, 2015

Nevertheless, the suppression of these items one by one changes the value of Cronbach's Alpha. The table of results of these values below establishes that the elimination of the reason for the relationship of outsourcing: "achieve economies of scale" significantly increases the value of Alpha Cronbach. A result that demonstrates that the realization of economies of scale can not be considered as a main reason deemed reliable in the subcontracting relationship.

Reliability statistics of the reasons of relationship of subcontracting

Reasons for the subcontracting relationship	Alpha Cronbach in case of removal of the element
Obtaining a market that is too important for the	,530
company structure.	9/43
Cost reduction	,405
Realization of economies of scale	,815
Internal personal incompetence	,521

Source: Author, 2015

The comparison of the average scores of these four items, which could justify the reason for the subcontracting relationship by the analysis of the variance (ANOVA), associates a p-value of 0.000 value which is much lower than the risk of error of 5%. which allows to rule the existence of a significant difference between the scores.

ANOVA of the comparison of the average scores of the items of the reason of the subcontracting relationship

	Sum of squares		Middle square	F	Sig
Between persons	688,339	504	1,366		
Intra-population Between items	207,503	3	69,168	107,099	,000
Residues	976,497	1512	,646		
Total	1184,000	1515	,782		
Total	1872,339	2019	,927		

Source: Author, 2015

From the results of the previous ANOVA table, the comparison of average scores for the main reasons for the subcontracting relationship presented in the table below allows us to establish that:

- The reduction of costs remains the first reason for the search for the subcontracting relationship of the principals. The average score of 3.68 practically equal to 4, the maximum average score, reflects the fact that

the construction industry operators strongly agree on the need to reduce operating costs by partnering with subcontractors. .

- The obtaining of a significant market and the incompetence of the internal staff of the companies come respectively in second or third reason of the relation of subcontracting.

Average scores of the main reasons for the outsourcing relationship

Reasons for the relationship of subcontracting	Average value
Obtaining major market	2,81
Cost reduction	3,68
Incompetence of company staff	2,65

Source: Author, 2015

The settings are based on a rating of 1 (strongly disagree) to 4 (strongly agree).

#### Management and the relationship of subcontracting SMEs in construction

As management is a set of techniques of organization and management to lead and control the action of individuals, the analysis of the behaviors of the two contracting entities and subcontractors is also important for our research in order to detect their share in the subcontracting relationship.

Thus, the realization of this relationship between principals and subcontractors required, according to the results of our surveys, more precisely the declarations of three out of four business executives, ie (75.2%), the implementation of place of a specific organization to pilot the project.

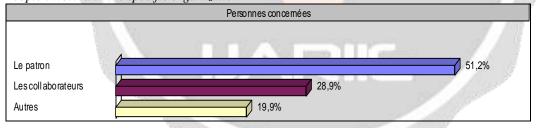
Need for specific organization

Need for specific organization	Frequency
Never	5,4%
Often	19,3%
Still	75,2%
TOTAL OBSERVATION	100%

Source: Author, 2015

This specific organization, according to always the results of our investigations, engages in the first place, the boss like the first person in charge, accompanied generally by these collaborators.

People involved in the specific organization



Source: Author, 2015

As far as the management system is concerned, it emerges that a large panel of contributions from both actors influences the relationship in subcontracting. They concern both the attributes of the partners involved and their contributions to the alliance. In particular, many reports have highlighted the importance of a number of factors that influence the degree of ease of implementation of outsourcing and the associated risks. It is especially, according to the Malagasy subcontractors, the rapprochement between the partners in terms of resources and skills.

#### Impact of the outsourcing management system in outsourcing

In some cases, outsourcing is the most appropriate strategy to dispose of resources that are not available internally.

The choice of a subcontracting strategy for the ordering company is made by evaluating the opportunities and threats represented by subcontracting in relation to the policy that has been defined. The implementation of the company's strategy is in the field of management; it is:

- to obtain the necessary resources to achieve the objectives of the chosen option, in the case of subcontracting, it is a matter of choosing the right subcontractor;
  - manage innovative projects that achieve these objectives, and
- to check the conformity of the results obtained with the defined objectives; for example: to check the progress of the work compared to the schedule.

The idea of the subcontracting relationship always comes from a client who encounters difficulties in carrying out the work entrusted to him. Every company can not ignore the issues and consequences of this strategic choice. Thus, we need to verify the impact of the management system of the client in the success of the subcontracting relationship.

#### **Design of the outsourcing project**

By choosing the outsourcing strategy, the company hopes to draw from a relationship with a subcontractor the opportunity to achieve what it is not able to do. By this strategy, the client defines the type of subcontracting adapted to his needs and the organization that will follow for the relationship to meet his expectations.

A subcontracting decision is not without risk for the principal and the subcontractor.

The choice of the strategy requires not only the mastery of the field of outsourcing but especially the determination of what is expected of the relationship. Let us recall from the results on the reasons of the subcontracting relation, established in the previous chapter and summarized again in the following table, if one refers to the measurements of the average values attributed to the opinions of operators in construction and public works. based on a rating of 1 (Strongly disagree) to 4 (Strongly agree) that cost reduction and market development are first and foremost the priority to be ensured in the subcontracting relationship (the respective average scores are 3.38 and 2.81, which reflect the agreement of the interviewees).

#### Reason for subcontracting

Reasons for outsourcing	Average value
Obtaining major market	2,81
Cost reduction	3,38
Incompetence of internal staff	2,65

Source: Author, 2015

# Role of the client in the choice of subcontractor

According to the results, the very clear trend for the contractors is to use outsourcing in carrying out works that present difficulties or lack of internal resources to the company.

Forced to follow the requirements of the specifications from the client, the contractors impose a multitude of requirements in a subcontracting relationship. They vary with the type of client they work with. First of all, the sometimes unrealistic requirements of the markets are one of the reasons why outsourcers use outsourcing. Their goals, therefore, are to have a subcontractor able to meet those requirements in their place and the results, those who have been satisfied with the relationship, are those who have been meticulous in choosing a subcontractor.

Thus, subcontracting is often done by recommendation by the construction industry players. The subcontractor then benefits from a significant leverage effect in terms of its reputation. These findings were all mentioned in the "results" section, which describes the origins of the operators' first contacts with their subcontractors on a rating of 1 (strongly disagree) to 4 (strongly agree) that cost reduction and market development are first and foremost the priority to be ensured in the subcontractor relationship.

In addition, the selection criteria of the operators of their subcontractors, during our surveys reveal that the opinions of the managers are on a rating of 1 (Strongly disagree) to 4 (Strongly agree), opted firstly on the notoriety and subsequently the complementary skills.

# Attitude to the environment

Attitude to the environment	Frequency
Proactive attitude	52.5%
Attitude of adaptation	47.5%
TOTAL OBSERVATION	100%

Source: Author, 2015

This proactive attitude is positive, if one compares the ratings of the assessments of services rendered by subcontractors compared to 47.5% of operators who adopt the attitude of adaptation to the environment. The

results of the t-test (Student's test) comparing the averages of the scores gives a p-value of 0.000 which rejects the equality of the averages on the one hand and on the other hand the limits of the confidence interval both positive, confirm the importance of the proactive attitude.

T-test of equalities of the evaluation notes of the services rendered by the services rendered

	Test t for equality of averages							
			DDL	Sig. (two-	Difference	Difference	Confidence	e interval
				way	average	standard	95% differ	ence
				difference)		error	Inferior	superior
Note from 0 to 20 prestation: Service rendered in accordance with the contracts concluded	,248	,824	03	,000	1,175	,120	,940	1,410

Source: Author, 2015

#### Managerial behavior of the client

In the case of subcontracting, managerial behavior refers to the way in which the client manages the relationship with the subcontractors. His behaviors and managerial capacity have impacts on the relationship because they can provoke several reactions from subcontractors. The quality of management seems to be the main cause of the success of the relationship. Subcontractors may wish to become more involved in the alliance but do not do so because of the client's behavior. Management becomes a brake on the achievement of commitment and therefore performance. Employee engagement is highly dependent on "sound" management practices. For each company to set up the managerial development system that provides a high level of positive leadership.

The results show that the managerial behavior of the co-operating client generates impacts on the degree of contribution of subcontractors to the relationship. This influence is evidenced by the analysis of dependence or correlation between the evaluation of the partners and the level of managerial behavior of the operators. The indicator used in this case is the correlation coefficient which displays a positive value close to 1. We can then emit the following proposition that 76.3% of the variation of the assessment of the contractors' suppliers depend on the variability of their managerial behavior. In addition, the positive sign of the indicator expresses that the more the managerial behavior is highlighted in the subcontracting relationship, the more the contribution of the subcontractors is consistent in the relationship.

The regression equation, that is, the mathematical relation that binds the two variables is:

Partner Evaluation = +0.466 \* Managerial Capacity +1.581

Variables account for 76.3% of partner valuation variance

Coefficient of correlation r = 0.87,

According to Student's T-test, which associates a p-value less than 0.05, we can admit the significance of this relation.

Moreover, it is always important to note the impact of the managerial capacity of the principals on the success of the subcontracting relationship; the indicator that reflects this relationship is always the positive correlation coefficient of 0.79 expressing, according to the value of the correlation coefficient, that 62.41% of the variation in the success of the subcontracting relationship is justified by the variability managerial behavior of leaders.

Equation of regression:

 $Subcontractor\ contribution = +0.809*Managerial\ capacity\ -0.267$ 

Multiple correlation coefficient: R = 0.6241

The correlation coefficient of this correlation analysis shows that a developed managerial capacity positively stimulates the contribution of the subcontractor.

# The shares of subcontractors in the success of the relationship Commitments of acceptance of the contract

The role of the client is to communicate what he expects from the subcontracting relationship, he translates the directives into objectives for the subcontractor who then takes care of the execution of the work.

In the case of a subcontracting relationship, it is essential to ensure a real connection between the two actors, which requires the involvement of the subcontractor. Upon acceptance of the contract, the subcontractor aligns with the strategy that the client wishes to implement, this alignment helps to build coherence between the strategic decisions and actions of the subcontractor. Actions are built around a defined goal that is clear and accepted by all. Once the course is set in agreement with both parties, subsequent meetings are productive and focused on the point to reach.

This approach encourages the subcontractor to get involved in actions for which he can appreciate the results. The achievement of objectives is a satisfaction, nothing like to succeed a challenge to maintain and maintain an acquired relationship.

The fact that the objective is not precise enough, not measurable, not achievable, generates conflicts and the non-quality of the relation, it is for this reason that the subcontractor must negotiate and accept the objective as soon as possible at the beginning. The subcontractor reformulates the objective in writing in order to formalize it and to control its comprehension. And, everyone agrees to make every effort to ensure that the goal can at least be achieved by signing the document and keeping each one a copy of it.

The results show that the subcontractor's involvement in the setting of objectives determines the conformity of the work to the expectations of the client.

The analysis of the impacts of the financial or strategic or material or human resources contributions to the setting of the objectives on the conformity of the works compared to the specifications more precisely on the rate of services rendered by the subcontractors is carried out by the regression multiple and produced the following results:

Equation of regression:

Notes Services Rendered = +34,995 \* Partner Financial Objective1 +295,903 \* Strategic Contribution Objective -248,813 \* Objective-Material Contribution Partner3 +69,288 \* Objective-Human Resources Contribution -179,004

The four variables explain 50.69% of the variance of Notes Services rendered Multiple correlation coefficient: R=0.712

These two results confirm the results found in the previous chapter which show that the setting of objectives in the subcontracting relationship generally remains in the competence or domain of the client.

However, the analysis of the partial contributions of each variable to the explanation of the ratings of the services rendered in accordance with the contracts whose results are set out below show, according to the values of the p-values of the T-tests associated with the nullity of the coefficients of the multiple regression equation that only the strategic and material contributions made by the subcontractors in the setting of the objectives of the market contribute significantly to the scores awarded:

Significance of the parameters:

Objective-financial contributions partner: p-value = 0.087

Objective-strategic contributions: p-value = 0.001

'Objective-material partner inputs: p-value = 0.0045

Objective-human resources contributions: p-value = 0.076

# Provision of resources and / or skills

Resources and / or skills are made available by the subcontractor, on a full-time or part-time basis, to be used in the service of the client, within the framework of a subcontracting contract the duration of which may to be short or long.

This phenomenon of making available is therefore directly linked to subcontracting practices which consist of companies carrying out the work entrusted to them by another company.

Subcontracting leads to two types of dependency between partners. First, a technical dependence, common in some branches of the construction industry: the prime contractor can, for example, provide the support on which the subcontractor will exercise his know-how or even provide material to the subcontractor if the scarcity of services or the competence of the latter justify it. Then, a dependency of capacity, or specialty depending on the case. The outsourcing of capacity is for the principal to discharge on the subcontractor a part of the execution of the works or the fabrications because of his work overload. It has a punctual nature, linked to the state of its order book. The subcontractor here is very dependent on the contractor as long as he is able to do the work himself or the production himself.

Subcontracting speciality, meanwhile, underlies that on the contrary that the prime contractor does not know to do himself the work or is not equipped to achieve them. It turns to specialized subcontractors who, in these conditions, enjoy much greater independence. The results of the resources committed by the subcontractors established in the chapter of the results show that the informational resources are the least solicited in the relation of subcontracting unlike the human resources where the operators almost always recognize their importance.

#### Resources committed by the subcontractor

Resources committed by the subcontractor	Average value
Human Resources	2,57
Financial Resources	2,55
Material Resources	2,07
Information Resources	1,64
together	2,21

The parameters are set to a rating of 1 (Never) to 3 (Always).

Source: Author, 2015

# Respect of the contents of the contract

The client entrusts to the subcontractor who accepts the execution of the works in accordance with the plans, documents and according to the detailed specifications of the works. The works must be carried out according to the schedule established by the client, in accordance with the guidelines according to the execution plans. They will be in all cases, executed in the rules of the art and in conformity with the regulations.

It is essential to establish a contract of subcontracting between the main company and the subcontractor. The end customer is excluded from this contract insofar as his sole interlocutor is the main company. It should be noted that the subcontracting contract is strongly advised in order to clarify the relations, rights and obligations of each of the parties. Thus, the realization of a contract of subcontracting makes it possible to define the services to be realized and the obligations, responsibilities and relations between each part.

The subcontract is written according to the part of the site to be subcontracted. Indeed, it will be indicated in this contract of employment the conditions of delivery of the service and payment of the subcontractor. In case of modification of the work to be done by the subcontractors, these changes will be assigned by an addendum to the subcontracting contract.

The subcontractor must demonstrate that he can respond adequately to the needs of the contracting company. This situation is generally confirmed by the fact that only one in ten (10.1%)

Criteria for choosing subcontractors

# Criteria for selecting subcontractors Average value

Complementarity of resources 2.92

Complementarity of skills 2.95

Awareness of the subcontracting company 3.11

By affinity with the subcontractor 2,47

Together 2.86

Source: Author, 2015

Guarantors of the conformity of the works

Remember that subcontracting is the act of delegating one or more parts of a construction site to another company while keeping the responsibility for the site for the main company. Thus, the subcontractor does not have a direct relationship with the customer who knows only the main company, the client who is in charge of the construction of the work.

The subcontractor is required to perform the work according to the specifications and requirements of the client. The standards to be followed, a schedule of deadlines are specified in the specifications. In Madagascar, no law indicates that the operation by which a contractor to a subcontractor the performance of all or part of the performance of the work he has accepted, must be declared to the customer. The ordering company is therefore the only responsible in front of the customer, even in case of failure of the subcontractor. According to the results, the companies rely on the organization of the subcontracting relationship to guarantee the conformity of the works.

The operators' statements during the investigation were unequivocal. In fact, about three in four (or 74.6%) business executives claim that the organization of the relationship is dominated by the client.

Organization of the alliance

Organization of the alliance Frequency

Organization dominated by the client 74.6%

Organization of shared resources 11.7%

Autonomous or decentralized organization 3.7%

**TOTAL OBSERVATION 100%** 

Source: Author, 2015

Through this organization dominated by the client, the results of the survey showed that their attitude towards the environment is proactive, it directs the actions and its strategies according to a risk anticipation and a long-term vision.

Attitude to the environment

#### Achievement of objectives

Target	Frequency
Never	10.1%
Rarely	11.3%
Often	64.4%
Always	11.3%
TOTAL OBSERVATION	100%

Source: Author, 2015

# A great responsibility in the feedback of information

The requirements expressed by the contractors are normal in the construction industry. The subcontractor rarely receives unrealistic requirements.

According to the subcontractors, as soon as he is contacted, he must be able to respond quickly. This is a first glimpse of his responsiveness and ability to communicate information quickly.

The support of a long-term project or a one-off order must reconcile adaptability, listening, suggestion and efficiency to carry it out. Hence the importance that the subcontractor show a great transparency in the feedback.

The results show that in the case where the subcontractor provides the client with periodic reports on the progress of the work, the latter can take the necessary decisions and avoid conflicts in the relationship.

The results of the Chi-square test of independence between the frequency of meetings or reports of activities and the existence of conflicts of interest associate a p-value less than 0.05 which significantly confirm the relationship. The chart below shows that the frequent meetings (bimonthly or monthly) between principals and subcontractors often generate conflicts of interest in their relation, 92,2% of the operators are witnesses of these conflicts in the monthly meetings against 77.5% in bi-monthly meetings.

#### CONCLUSION

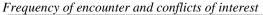
To conclude and synthesize the results of the research, it is necessary to recall all the steps followed. Their diversity has made it difficult to pursue a rigorous approach. This is the treatment of outsourcing in its applied form between companies specializing in construction and public works, with the aim of highlighting the factors that could be the source of the performance and the success of the relationship between the donor, order and the subcontractor. According to these results, we can conclude that the success of a subcontracting relationship does not only depend on the managerial behavior of the client but also on the degree of involvement of the subcontractor.

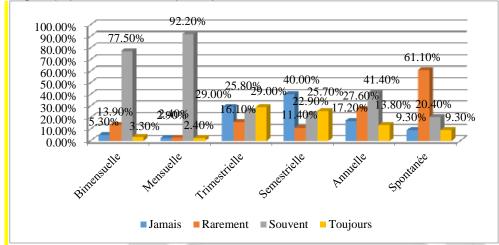
Today, the importance of outsourcing policy in the economic dynamic is well established. According to Barbat and HladyRispal, it is considered a complex reality because it can take different forms, ranging from a simple relationship to a long-term subcontracting relationship. These relations, in full mutation, especially with the growing pressures of the globalization of markets and the evolution of technology, have also affected the field of Building and Public Works. Companies faced with the demand of the market, and its inability to meet these requirements, can not do without offers that are offered to them, so they resort to outsourcing. From now on, subcontracting has become unavoidable, and the mastery of the relationship with the subcontractor has become essential. It would therefore be necessary to analyze the key success factors of a subcontracting relationship.

### **Bibliographical references:**

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# **NOTES**





Source: Author, 2015

# AINTENANCE GRID WITH THE DIRECTORS OF THE ORDER

ITEM	QUESTIONS	ANSWERS IN%
A-RELATIONAL STRATEGY	-alliance decision fixed a priori?	
A1-plan to ally	-Strategic project set in the long term?	M. W. J
11.77 //	-Project corresponding to a vision?	
A2-choice of partners	-Similar activities?	A 1.3
4.7	-Additional activities?	- 1 N
<u> </u>	-Affinities?	
A3-conclusion of the agreement	- mutual agreement?	
\$	-With a contract in good and due form?	
B-ORGANIZATIONAL		11 1 1 1 1 1 1
CONDUCT		7.57
B1-Structure	-predominance of the hierarchy?	W AND
	-influence of the price on the market?	7 / 1
	-adoption of a hybrid structure?	7.4
B2-pooling of resources	-code of coordination (centralization or	
	decentralization?)	Control of the Contro
	- Autonomous management?	and the second second
	- Interdependent management?	
B3-pooling skills	-management of the team?	
4	-Management of the spots?	
	Regulator of material and human resources	
MANAGERIAL BEHAVIOR		
C1-Conducting Men	- Leadership Capabilities?	
	Mediator or diplomat?	
	-fashion of communication with the allied	
	partners?	
	- degree of confidence?	
	-conflict management ?	
	-control mode?	
C2-motivations of the client	-was to have his decisions accepted by the	
	subcontractors	
	Know how to take risks	
C3 Entrepreneurial spirit	Guided by the opportunities offered	
	Focus on the future of the partnership over	
	the long term	