An Investigation into the Risk of Construction Projects Delays in the UAE

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ABSTRACT

The growing rate of delays in project delivery is considered a major criticism of the construction companies in the United Arab Emirates (UAE). This paper aims to investigate the causes and effects behind the delays pertaining to delivery of construction projects in the UAE. The study is exploratory in nature, and incorporates a pilot questionnaire survey and interviews. An extensive literature review indicates potential factors that have possible effects on construction completion delay. The questionnaire forms were sent to 50 construction companies. Thirty-five (70%) completed responses were received. Analysis of the survey data has revealed that about 42 potential causes and effects of delay relate to various groups of stakeholders. The results show the top fifteen factors relate to clients, project managers and finance aspects. It was found that cost and time overruns are the most significant effects. These results are in partial agreement with previous studies. The paper argues that the key determinant in ensuring project control is on-time project delivery. The results of the study can provide moderate support for a suggested hypothesis, through a framework of project success factors. It should be of high concern to knowledge managers in various roles and decision-makers.

Keywords: Client, Construction Project Success Factors, Delay Risk, Knowledge Management, United Arab Emirates (UAE)

INTRODUCTION

Construction delay is ubiquitous in construction business, as well as being one of the most common risks to project success. This phenomenon largely overlaps the roles and interests of various project stakeholders in a multicultural society. Construction delay can be defined as the time overrun either beyond the contract deadline or beyond the date on which the parties agree upon for the delivery (Assaf & Al-Hajji, 2006). Project success is considered to have been achieved when it is completed within time, cost, on specification and to stakeholders’ satisfaction (Majid, 2006). Delay is considered a frequently recurring problem in many develop-
ing countries, especially those that have grown so quickly despite the recent financial crisis, for example, the UAE construction sector (Faridi & El-Sayegh, 2006; Motaleb, 2009).

Many researchers have classified the causes of construction project delay by stakeholders in groups like clients, contractors, consultants, project managers, resources (such as labor, materials, equipment), external and financial/economic factors (Odeh & Battaineh, 2002; Ahmed et al., 2003; Assaf & Al-Hajji, 2006; Faridi & El-Sayegh, 2006; Motaleb, 2009). The literature is extensive on this phenomenon. An investigation into selected global research in Table 1 and Table 2 has supported the way forward and future work for UAE construction projects. They have been classified into public and private sectors according to causes of group/category. It is reported as full/partial agreements beyond the studies, between 2000-2010 to identify gaps in knowledge.

Causes of Delay

The causes are grouped into 10 categories, relating to various stakeholders and factors, namely, i consultant, ii contractor, iii client, iv project managers, v financial, vi resources, vii contractual, viii governmental, ix designer, and external factors. This has encouraged the authors to outline the abstract of causes, to build the foundation of the methodology of construction project delay in the UAE and has helped in the development of a questionnaire.

As shown in Table 1 and Table 2, we exposed the most significant causes of delays in different periods of time and defined them geographically. Investigation into project sectors has been considered, as well as public and private sectors. Some interesting observations have been raised in the risks of delay in construction projects, to analyze the outcomes from each category-related delay. Each category has been highlighted with either low or high exposure, and the most significant factor is related to the Client, by excessive change orders, lack of experience and slow-decision making (Al-Momani, 2000; Odeh & Battaineh, 2002; Aibinu & Jagboro, 2002; Ahmed et al., 2003; Koushki, 2005). This view is supported by Wiguna and Scott (2005), Abdu-Rahman et al. (2006), Assaf and Al-Hejji (2006), Faridi and El-Sayegh (2006), Fong et al. (2006), Sweis et al. (2008), Motaleb (2009), and Al-Nuaimi et al. (2010). The next significant factor is financial problems, possibly coinciding with the recession, such as poor cash flow and funding programme constraints, payments delays, and debt problems that are related to the economic situation (Alaghbari et al., 2007; Sweis et al., 2008; Long, 2008; World Bank Iraq Trust Fund, 2008; Motaleb, 2009; Abdu-Rahman et al., 2009; Asnaashari et al., 2009; Kaliba et al., 2009; Khoshgoftar et al., 2010; Yang, 2010). Project managers can be the cause of time delays, in terms of poor planning, poor coordination, site management, inadequate time estimation and lack of team communication (Elinwa & Jashwa, 2001; Odeh & Battaineh, 2002; Fong et al., 2006; Faridi & El-Sayegh, 2006; Alaghbari et al., 2007; Sweis et al., 2008; Motaleb, 2009; Tumi et al., 2009; Kaliba et al., 2009; Khoshgoftar et al., 2010).

A research proposal has been developed along the lines of Morris’s work (1994), who considered construction as an industry that should be placed in project management methodologies at various life-cycle stages as a mature user. The previous research shown in Table 1 highlights different projects that have dealt with different views, such as the cases of socially related effects of construction delays on the investors/developers, or any other stakeholders. The perspectives have been built up depending on the nature of each country. Therefore, differences in factors involved in the delays would explain the reason why the same projects could be considered successful by one factor and unsuccessful by another one. The criteria of project success should be considered according to different cultures and environments. For example, causes of delays in the USA were due to improper project management in relocations, procedures and fund programmes (Ellis & Thomas, 2002). In the UK, it is reported that the changes due to
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