

**IMPACTS OF POOR MANAGEMENT ON  
CONSTRUCTION PROJECT IN MALAYSIA**

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## **SUPERVISOR'S DECLARATION**

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the Bachelor Degree of Civil Engineering

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## **STUDENT'S DECLARATION**

I hereby declare that the work in this thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at Universiti Malaysia Pahang or any other institutions.

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## **ABSTRAK**

Pengurusan projek merupakan satu pengurusan yang melibatkan pembangunan, perubahan dan inovasi dalam kerja operasi. Ia merangkumi aktiviti seperti merancang dan pengawalan sesuatu projek, dengan bergantung kepada bajet yang telah ditetapkan supaya projek boleh disempurnakan dalam masa yang diberi. Berdasarkan definisi ini, jelaslah bahawa pengurusan projek yang bagus adalah penting untuk mana-mana projek pembinaan. Seperti yang diketahui juga, terdapat banyak pihak yang terlibat dalam sesuatu projek pembinaan seperti kontraktor, sub-kontraktor, jurutera, pegawai keselamatan, arkitek, konsultan dan sebagainya. Selain daripada itu, sesuatu projek itu juga mestilah diselesaikan dengan bajet dan masa yang telah diperuntukkan, selain mengekalkan kualiti yang terbaik. Oleh iu, pengurusan projek yang tidak baik akan memberi impak yang negatif ke atas projek pembinaan tersebut. Seperti yang dapat dilihat pada hari ini, terlalu banyak projek sakit dan projek lewat di Malaysia, dan penyumbang utama kepada masalah ini adalah kelemahan pengurusan projek itu sendiri. Kelemahan projek dalam industri pembinaan adalah satu fenomena global, dan Malaysia juga tidak terkecuali daripada permasalahan ini. Justeru, tujuan utama kajian ini dibuat adalah untuk mengenalpasti faktor-faktor utama yang menyumbang kepada kelemahan dan pengurusan projek yang tidak efektif, dan bagaimana masalah ini mampu memberi kesan kepada projek pembinaan. Beberapa cara penyelesaian kepada masalah ini turut dicadangkan. Borang soal selidik turut diedarkan kepada pihak yang terlibat untuk mengumpul data-data yang berkaitan dengan kelemahan pengurusan projek. Daripada analisis yang telah dilakukan, didapati bahawa faktor utama yang menyumbang kepada masalah ini ialah komunikasi, manakala kesan utama kelemahan pengurusan ialah kelewatan projek.

## **ABSTRACT**

Project management is a system that involved development, changes, and innovation in an operation work. Some of the activities involved are planning and controlling project, and these two activities depend on a budget that had been stated, so the project can be completed in a given time. Based on this definition, it is clearly shown that a good and effective management system is needed in any of the construction projects. Construction project involved many parties such as contractor, sub-contractor, engineer, safety officer, architect, consultant and etc. Meanwhile, the project must be completed within its budget and time to deliver the project, while maintaining their quality at its best. Thus, an ineffective management system in construction will give negative impacts on a construction project. As can be seen today, there are many sick and delayed projects in Malaysia, and the main factor that contributes to this problem is poor management of the project itself. Poor management in the construction industry is a global phenomenon and construction industry in Malaysia is no exception too. Thus, this study is conducted to identify the main factors that contribute to the poor and ineffective management system in the construction industry, and how this problem could give impacts on a construction project. In additions, possible solutions to this problem are also recommended in this study. A questionnaire survey was conducted in order to gain data related to poor management from various parties involved in this industry. The analysis shows that the main factors that could contribute to poor management are communication problems while the main impact of poor management is delay of the project.

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## **LIST OF ABBREVIATIONS**

CPM	Critical Path Method
PERT	Program Evaluation and Review Technique
PMBOK	Project Management Book of Knowledge
WBS	Work Breakdown Structure

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background of Study**

Construction industries play a vital role in the development of the economic growth of the country. In recent times, it has been witnessed that the construction industry has become one of the leading industries in the globe. Following that, the construction industry is said as an indicator in consolidating economy of a country because increasing in demand, together with economic growth and rapid development. Therefore, it can be seen today that construction industries is one of the emerging industries in Malaysia.

The economic crisis that had happened before in Malaysia in between the year 1997 and 1998 is one of the examples in which the construction industry in this country failed and caused many problems in the completion of the construction projects. This then led to abandoned projects. Moving forward and years later, construction industries in Malaysia had become one of the most important industries until today. It can be clearly seen through the construction activities which have been rapidly implemented and also lots of mega projects which have been planned earlier for the future.

From the project manager's perspective, success means the delivery of the project within the deadlines, budgets and its function fulfills the objectives and meets the required expectation of the stakeholders. Apart from that, a systematic management of a construction project is required so it will be well executed. In general, management plays an important role in a construction project. Project management is the process by which project manager plays a main role in control and planning activities during the construction period. This includes employees, schedule of work, costs, skills, knowledge, machinery and even equipment to be used at the site.

However, poor management in construction might be happened in construction industries and could cause many problems. The chronic problems of fragmentation, low productivity, time and cost over-runs, poor safety and insufficient quality which ultimately leads to project failure. Factors of poor management such as less experience in handling project, poor financial positions, and others also may lead to failure of projects.

## **1.2 Problem of Statement**

The success of Malaysian construction industry in developing national economic strength is boosted up by excellent project management powered by all project participants such as client-planner, engineer, contractor or operator. Based on statements made by Institutions of Project Management, new project management role will be developed into 15.7 million between 2010 and 2020. Most of the construction project is moderate by tools namely project management which requires good management and control system to ensure project objective can be achieved.

However, there are numerous construction projects are facing problems because of poor management systems and non-effective management. Because of its complicated nature of the operation, a construction project might face many kinds of problem. Therefore, effective and good project management has become important drivers to ensure the project success. Lately, the awareness of towards good project management by project participants becomes poor which then cause many problems. This including delay of projects and incurred huge loss of money. Figure 1.1 below shows the Statistics of Private Housing Projects based on Categories until 31<sup>st</sup> October 2017 in Malaysia, which had been categorized by Jabatan Perumahan Negara (JPN).





BIL.	NEGERI	JUMLAH PROJEK DALAM PEMBINAAN	PROJEK LANCAR			PROJEK LEWAT			PROJEK SAKIT		
			BIL. PROJEK	UNIT RUMAH	BIL. PEMBELI	BIL. PROJEK	UNIT RUMAH	BIL. PEMBELI	BIL. PROJEK	UNIT RUMAH	BIL. PEMBELI
1	Perlis	23	20	690	347	0	0	0	3	187	125
2	Kedah	184	184	19,800	10,598	6	273	114	14	453	356
3	Pulau Pinang	198	180	32,329	14,398	10	4,358	770	28	8,357	4,227
4	Perak	348	292	25,804	10,323	3	392	354	51	3,833	2,294
5	Selangor	802	877	137,295	64,781	28	8,788	2,782	99	20,739	9,887
6	W.P. Kuala Lumpur	254	239	119,468	32,952	5	2,311	882	10	2,109	942
7	Negeri Sembilan	130	118	14094	7598	0	0	0	12	895	600
8	Melaka	109	92	18690	14018	8	1000	435	9	1213	497
9	Johor	519	490	108,897	45,892	1	688	212	28	8,343	3,948
10	Pahang	335	302	21,408	7,850	5	700	398	28	3,388	1,875
11	Terengganu	113	87	4247	2041	3	375	103	43	8840	3900
12	Kelantan	101	79	5,303	1,459	4	589	327	18	1,185	529
<b>JUMLAH</b>		<b>3,114</b>	<b>2,700</b>	<b>507,623</b>	<b>212,029</b>	<b>71</b>	<b>17,412</b>	<b>6,377</b>	<b>343</b>	<b>53,340</b>	<b>28,788</b>

Figure 1.1 Statistics of Private Housing Projects based on Categories until 31<sup>st</sup> October 2017

Source: Jabatan Perumahan Negara (2017).

### 1.3 Aim and Objective of Study

The aim of this study is to analyze the factors and impacts of the poor management in a construction project in Malaysia. In order to achieve the goal, several objectives have been identified to facilitate the implementation of the study. The objectives of this study are as follows:

- 1) To study the factors and impacts of poor management in construction
- 2) To design questionnaire that relates to impacts and factors of poor management in construction
- 3) To analyze factors and impacts of poor management in construction industries and gain conclusion

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