

Midocean University

Faculty of Management

Project Mangment / Bachelor of Project Management



Project title

Causes of Project Failure

Student name

Jafer Ali Alsadiq

221001562

Graduation Project – 2

Faculty of Management - Midocean University

Supervisor

Dr. Abdulrahim Nader

Faculty member- Faculty of management- Midocean University

14-12-2025 – Third Trimester 2025

Abstract

This study investigates the causes of project failure in the construction industry, with a specific focus on Al-Binaa Construction Co. in Jubail Industrial City. Despite the growing emphasis on project management methodologies, many construction projects continue to face challenges that lead to delays, budget overruns, and unmet objectives. The research aims to identify and analyze the key factors contributing to project failure, including unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep.

A mixed-methods approach was adopted, combining quantitative data from structured surveys with qualitative insights from interviews and case studies. The sample consisted of 120 participants across various departments, including project management, operations, procurement, and quality control. Statistical analysis confirmed the significance of all seven independent variables, with poor leadership and poor planning emerging as the most critical contributors to failure.

The findings align with existing literature and provide both theoretical and practical contributions. The study offers actionable recommendations for improving project outcomes, such as enhancing leadership capabilities, strengthening planning processes, and institutionalizing risk management frameworks. These insights are intended to support construction firms in optimizing their project execution and increasing success rates.

Contents

Abstract	2
1. Chapter 1: Introduction	7
1.1. Research Background.....	8
1.2. Research Problem.....	11
1.2.1. Introduction	11
1.2.2. Theoretical Gaps.....	11
1.2.3. Practical Gaps	12
1.3. Research Significance	12
1.3.1. Introduction	12
1.3.2. At the Theoretical Level.....	13
1.3.3. At the Practical Level	13
1.4. Research Questions.....	14
1.5. Research Objectives.....	14
1.6. Research Hypotheses.....	14
1.7. Research Model.....	15
1.8. Visual Representation Of Research Model :.....	16
1.9 Empirical Study	16
1.10 Research Methodology	17
1.10.1 Research Philosophy	17
1.10.2 Research Approach.....	18
1.10.3 Research Strategy	18
1.10.4 Research Choice.....	18
1.10.5 Time Horizon.....	18
1.10.6 Data Collection and Analysis Techniques	18
1.10.7 The research onion diagram.....	19
1.11 Scope of The Study.....	20
1.11. The Suggested Project Structure.....	21
2.Chapter 2: Literature Review	22
2.1 Introduction	23
2.2 Research Variable	23

2.2.1 Unclear Objectives	23
2.2.2 Poor Planning.....	23
2.2.3 Lack of Communication.....	24
2.2.4 Inadequate Resources	24
2.2.5 Poor Leadership.....	24
2.2.6 Risk Management Failure.....	24
2.2.7 Scope Creep	25
2.3 The Dependent Variable.....	25
2.4 Relationships Among Research Variables	25
2.5 Conclusion.....	26
Appendix A: Research Questionnaires	27
Unclear Objectives	27
Poor Planning.....	27
Lack of Communication.....	27
Inadequate Resources	27
Poor Leadership.....	27
Risk Management Failure	27
Scope Creep.....	27
Project Success/Failure	28
Appendix B: Table of Research Instruments	28
Chapter 3: Research Methodology.....	29
3.1 Introduction	30
3.2 Operational Definitions of Research Variables.....	30
3.3 Research Design (Research Onion).....	31
The research methodology follows the "research onion" model and covers key methodological aspects:	31
.....	31
3.4 Research Population & Sampling Methods and Techniques	32
3.4.1 Research Population	32
3.4.2 Research Sample.....	32
3.4.3 Sampling Method & Techniques	32
3.5 Data Collection Method	33

3.5.1 The Independent Variables (Causes of Project Failure)	33
3.5.2 The Dependent Variable (Project Success/Failure)	34
3.6 Types of Data	34
3.6.1 Primary Data	34
3.6.2 Secondary Data.....	34
3.7 Data Analysis Methods & Procedures.....	35
3.8 Conclusion.....	35
Chapter 4: Statistical Analysis & Findings Discussion.....	36
4.1 Introduction	37
4.2 Sample Profile (Descriptive Statistics).....	37
4.3 Validity & Reliability Tests.....	38
4.4 Descriptive Statistics for Research Variables.....	39
4.5 Hypothesis Testing	40
4.6 Connection to Literature	40
4.7 Conclusion	41
Chapter 5: Research Limitations, Recommendations & Conclusion	42
5.1 Introduction	43
5.2 Research Limitations	43
5.2.1 Contextual Boundaries.....	43
5.2.2 Temporal Constraints.....	44
5.2.3 Sample Size and Diversity	44
5.2.4 Measurement Limitations	44
5.2.5 Variable Scope	44
5.2.6 Organizational Culture.....	45
5.2.7 External Market Conditions	45
5.2.8 Technological Adoption.....	45
5.3 Recommendations.....	46
5.3.1 For Construction Firms	46
5.3.2 For Policymakers and Industry Bodies.....	47
5.3.3 For Future Researchers	47
5.3.4 For Training Institutions.....	47
5.3.5 For International Collaboration	48

5.4 Theoretical Contributions	48
5.5 Practical Implications	49
5.6 Conclusion.....	50
References	52

1. Chapter 1: Introduction

1.1. Research Background

Project management is a vital discipline that encompasses the planning, execution, and oversight of projects to achieve specific goals within defined constraints such as time, budget, and resources. It is a field that has gained significant importance across various industries due to its role in ensuring that projects are completed successfully and deliver the intended value.

Despite the advancements in project management methodologies and tools, a significant number of projects still fail to meet their objectives. This phenomenon of project failure is not only costly but also detrimental to organizational reputation and stakeholder trust.

The construction industry, known for its complex and large-scale projects, often faces significant challenges in project management. Projects in this sector are characterized by their high stakes, substantial investments, and the involvement of multiple stakeholders. The complexity and scale of construction projects make them particularly susceptible to various risks and uncertainties, which can lead to project failure. Understanding the causes of project failure in the construction industry is crucial for developing effective strategies to mitigate these risks and enhance project success rates.

This assignment aims to explore the common causes of project failure, analyze their impact on project success, and propose strategies to mitigate these issues. By examining factors such as unclear objectives, poor planning, lack of communication, inadequate resources, risk management failures, scope creep, and poor leadership, this study seeks to provide a comprehensive understanding of why projects fail and how these failures can be prevented.

Unclear objectives are one of the primary causes of project failure. When project goals are not clearly defined, teams struggle to align their efforts and measure success. This misalignment can lead to confusion, wasted resources, and ultimately, project failure. Poor planning is another significant factor that contributes to project failure. Inadequate planning can result in missed deadlines, budget overruns, and scope creep, all of which can derail a project. Effective planning involves not only setting realistic timelines and budgets but also anticipating potential challenges and developing contingency plans.

Communication is a critical component of successful project management. Lack of communication among team members and stakeholders can result in misunderstandings, errors, and delays. Effective communication ensures that everyone is on the same page, understands their roles and responsibilities, and can collaborate effectively to achieve project goals. Inadequate resources, whether in terms of budget, personnel, or tools, can also hinder project progress. Ensuring that projects have the necessary resources is essential for their successful completion.

Risk management is another crucial aspect of project management. Identifying, analyzing, and mitigating risks early in the project lifecycle can prevent unexpected issues from derailing the project. Scope creep, or the uncontrolled expansion of project scope, is a common challenge in project management. It can overwhelm the team and lead to missed deadlines and budget overruns. Implementing change control processes can help manage scope changes effectively.

Leadership plays a vital role in project success. Poor leadership can result in a lack of direction, motivation, and coordination among team members.

Strong leadership, on the other hand, can guide the team towards success by providing clear direction, fostering collaboration, and addressing issues promptly.

The insights gained from this research will be valuable not only for project managers in the construction sector but also for professionals in other industries facing similar challenges. By understanding the causes of project failure and implementing effective strategies to address them, organizations can improve their project management practices and increase their chances of project success.

Through a combination of literature review, data collection, and analysis, this assignment will contribute to the body of knowledge in project management and offer practical recommendations for enhancing project success rates. The findings of this study will provide a foundation for future research and inform policy-making and best practices in project management.

In conclusion, this assignment seeks to provide a comprehensive understanding of the causes of project failure and propose solutions to mitigate these issues. By examining the factors that contribute to project failure and their impact on project outcomes, this study aims to enhance project management practices and improve the success rates of projects in the construction industry and beyond.

1.2. Research Problem

1.2.1. Introduction

The research problem is a critical component of any study, as it defines the issue that the research aims to address. In the context of project management, understanding the causes of project failure is essential for developing effective strategies to enhance project success rates. This section will explore the theoretical and practical gaps in the existing literature and practice, highlighting the need for further research in this area. By identifying these gaps, we can formulate a main research question that guides the study.

1.2.2. Theoretical Gaps

Despite extensive research on project management, there are still significant gaps in our understanding of the causes of project failure. Many studies focus on individual factors such as planning, communication, and resource allocation, but few provide a comprehensive analysis that integrates these elements. Additionally, there is a lack of theoretical frameworks that explain the interplay between these factors and their cumulative impact on project outcomes. This gap in the literature indicates a need for a more holistic approach to studying project failure, one that considers multiple dimensions and their interactions.

1.2.3. Practical Gaps

In practice, project managers often face challenges that are not adequately addressed by existing research. For example, while many studies highlight the importance of clear objectives and effective communication, there is limited guidance on how to implement these principles in complex, real-world projects. Furthermore, the construction industry, with its unique characteristics and high-risk environment, requires specific strategies that are tailored to its needs. The practical gap lies in the translation of theoretical insights into actionable practices that can be applied in diverse project settings.

Given the theoretical and practical gaps identified, the main research question for this study is: **What are the primary causes of project failure in the construction industry, and how can these failures be mitigated through effective project management practices?**

1.3. Research Significance

1.3.1. Introduction

The significance of this research lies in its potential to contribute to both theoretical knowledge and practical applications in the field of project management. By addressing the causes of project failure, this study aims to provide valuable insights that can enhance project success rates, particularly in the construction industry. This section will clarify the importance of the study at both the theoretical and empirical levels.

1.3.2. At the Theoretical Level

At the theoretical level, this research seeks to fill existing gaps in the literature by providing a comprehensive analysis of the causes of project failure. While many studies have examined individual factors such as planning, communication, and resource allocation, there is a need for an integrated approach that considers the interplay between these elements. This study will contribute to the development of a theoretical framework that explains how various factors interact to influence project outcomes. By advancing our understanding of project failure, this research can inform future studies and guide the development of more effective project management theories.

1.3.3. At the Practical Level

At the practical level, the significance of this research lies in its potential to provide actionable insights for project managers and organizations. The construction industry, characterized by its complexity and high-risk environment, often faces significant challenges in project management. This study aims to identify specific strategies that can be implemented to mitigate the causes of project failure in this sector. By translating theoretical insights into practical recommendations, this research can help project managers improve their practices, enhance project success rates, and ultimately deliver better outcomes for stakeholders. The findings of this study can also inform policy-making and best practices in project management, leading to more effective and efficient project execution.

1.4. Research Questions

- What are the primary causes of project failure in the construction industry?
- How do factors such as unclear objectives, poor planning, and lack of communication contribute to project failure?
- What project management practices can effectively mitigate these causes?
- How does leadership influence the success or failure of construction projects?

1.5. Research Objectives

- To identify and analyze the key causes of project failure in the construction industry.
- To evaluate the impact of poor planning, communication, and leadership on project outcomes.
- To propose effective project management strategies to reduce failure rates.
- How does leadership influence the success or failure of construction projects?
- To develop a framework for improving project success in construction projects.

1.6. Research Hypotheses

- H1: Unclear project objectives significantly increase the likelihood of project failure.
- H2: Poor communication among stakeholders is a major contributor to project failure.
- H3: Effective leadership positively influences project success.
- H4: Implementing structured risk management practices reduces the risk of project failure.

1.7. Research Model

The conceptual research model developed for this study aims to illustrate the relationships between key variables that influence project outcomes in the construction industry. The model identifies seven **independent variables**—unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep—which are hypothesized to contribute to the **dependent variable**, project failure or success. Each of these variables encompasses specific dimensions; for example, "poor planning" may include inadequate scheduling, unrealistic timelines, or lack of contingency planning, while "lack of communication" may involve unclear reporting lines or ineffective stakeholder engagement. By breaking down each variable into its dimensions, the model allows for a more nuanced understanding of how these factors interact and influence project outcomes. The model adopts a **deductive logic**, grounded in existing literature, and is designed to be tested through both **quantitative** (e.g., surveys) and **qualitative** (e.g., interviews) methods. This structure not only supports hypothesis testing but also provides a framework for exploring the deeper, contextual factors behind project success or failure. The visual representation of the model will further clarify the directional influence of each independent variable on the dependent outcome, offering a comprehensive view of the dynamics at play in project management.

1.8. Visual Representation Of Research Model :

Diagram Features:

Independent Variables:

Unclear Objectives

Poor Planning

Lack of Communication

Inadequate Resources

Poor Leadership

Risk Management

Scope Creep

Failure



Dependent Variable:

Project Failure / Success

Each arrow represents a hypothesized influence from an independent variable to the outcome.

1.9 Empirical Study

The empirical study for this research will be conducted within **Al-Binaa Construction Co.**, a mid-sized construction firm located in Jubail Industrial City. This setting is highly relevant to the research topic, as the company regularly undertakes complex projects that are susceptible to the challenges explored in this study, such as poor planning, resource constraints, and leadership issues. The

organization provides a conducive environment for data collection, with accessible project teams and management willing to participate in surveys and interviews. This accessibility ensures that the researcher can effectively carry out observations and gather both quantitative and qualitative data. Ethical considerations will be strictly upheld throughout the study, including informed consent, confidentiality, and voluntary participation. The company's internal policies support ethical research practices, and all participants will be briefed on their rights and the purpose of the study. Furthermore, Al-Binaa Construction Co. is representative of many similar firms in the regional construction sector, making the findings potentially generalizable to other organizations facing comparable project management challenges. By focusing on this setting, the study aims to generate practical insights that are both contextually grounded and broadly applicable.

Reason: The construction industry often faces challenges related to project management, making it a suitable case for studying project failure causes and solutions.

1.10 Research Methodology

1.10.1 Research Philosophy

This study adopts a **pragmatic philosophy**, combining elements of both **positivism** and **interpretivism**. The positivist aspect supports the use of quantitative methods (e.g., surveys and statistical analysis), while the interpretivist aspect justifies the use of qualitative methods (e.g., interviews) to understand the subjective experiences of project managers.

1.10.2 Research Approach

A **deductive approach** is used to test hypotheses derived from existing theories about project failure. This approach allows the study to move from general theories to specific observations, particularly through hypothesis testing using survey data.

1.10.3 Research Strategy

The research strategy combines:

- **Survey** (quantitative): To collect broad data on project failure causes from employees at **Al-Binaa Construction Co.**
- **Case Study** (qualitative): To explore in-depth insights from selected projects and senior managers within the same company.

1.10.4 Research Choice

This study uses a **mixed-methods** approach:

- **Quantitative:** Surveys distributed to project managers and team members.
- **Qualitative:** Semi-structured interviews with senior project leaders and analysis of project documentation.

1.10.5 Time Horizon

A **cross-sectional** time horizon is adopted, meaning data will be collected at a single point in time to capture the current state of project management practices and challenges.

1.10.6 Data Collection and Analysis Techniques

Data Collection:

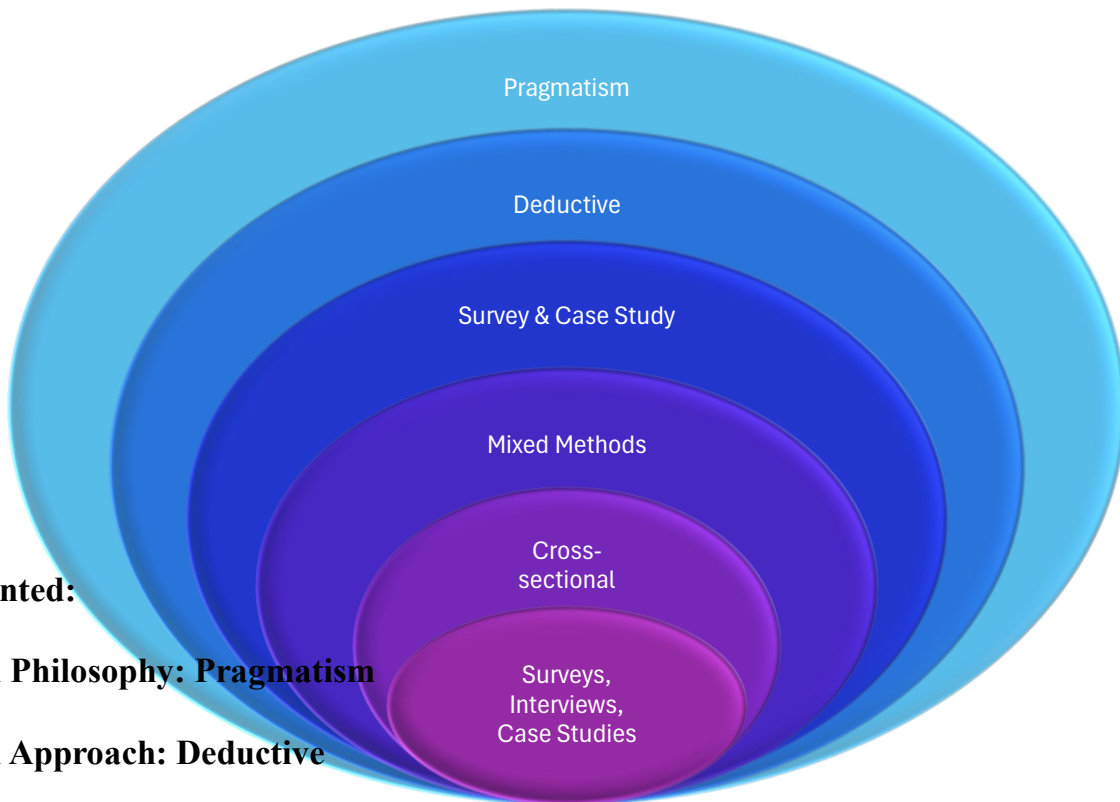
- **Surveys:** Structured questionnaires using Likert scales.
- **Interviews:** Semi-structured interviews with open-ended questions.

- **Case Studies:** Review of project reports and documentation from Al-Binaa Construction Co.

Data Analysis:

- **Quantitative:** Descriptive statistics and **regression analysis** to test hypotheses.
- **Qualitative:** **Thematic analysis** to identify patterns and themes in interview responses.

1.10.7 The research onion diagram



Layers Represented:

- 1. Research Philosophy: Pragmatism**
- 2. Research Approach: Deductive**
- 3. Research Strategy: Survey & Case Study**
- 4. Research Choice: Mixed Methods**
- 5. Time Horizon: Cross-sectional**
- 6. Data Collection: Surveys, Interviews, Case Studies**

1.11 Scope of The Study

This study focuses on identifying and analyzing the key causes of project failure within the construction industry, with a specific emphasis on mid-sized construction firms operating in Jubail Industrial City, such as Al-Binaa Construction Co. The research investigates seven independent variables—unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep—and their impact on the dependent variable, project success or failure. The study is limited to projects executed within the past five years to ensure relevance and accuracy of data. It includes both quantitative data collected through surveys and qualitative insights gathered from interviews and case studies. While the findings aim to provide practical recommendations for improving project outcomes, the study does not cover other industries or external macroeconomic factors that may influence project performance. The scope is intentionally narrowed to allow for a focused and in-depth analysis of internal project management practices within the selected context.

1.11. The Suggested Project Structure



2.Chapter 2: Literature Review

2.1 Introduction

This chapter provides a comprehensive review of existing literature related to project failure in the construction industry. It highlights the importance of understanding the variables that influence project outcomes and sets the foundation for the empirical study. The review is structured around key research variables—unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep—and explores their interrelationships.

2.2 Research Variable

2.2.1 Unclear Objectives

Unclear objectives are a major contributor to project failure. Herz and Krezdorn (2021) emphasize that ambiguity in project goals leads to misalignment, inefficient resource use, and stakeholder dissatisfaction. Shaker (2010) adds that without well-defined deliverables, teams struggle to measure progress, resulting in scope drift. Theoretical perspectives suggest that goal clarity is essential for aligning stakeholder expectations and guiding project execution.

2.2.2 Poor Planning

Poor planning encompasses unrealistic timelines, inadequate scheduling, and lack of contingency measures. Kerzner (2022) argues that planning is the backbone of successful project management. Turner (2016) highlights that poor planning often results from insufficient stakeholder engagement and flawed assumptions. The evolution of planning theories underscores the need for integrated scheduling, budgeting, and risk anticipation.

2.2.3 Lack of Communication

Communication failures can derail projects. Raymond (2024) identifies poor communication as a leading cause of delays and cost overruns. Asana (n.d.) stresses the importance of clear reporting lines and feedback loops. The literature supports the use of stakeholder communication models and collaborative platforms to enhance transparency and coordination.

2.2.4 Inadequate Resources

Resource constraints—financial, human, or technological—impact project execution. Pinto (2019) notes that under-resourced projects face delays and quality issues. Kumarage et al. (2023) discuss labor shortages in construction and advocate for strategic workforce planning. Resource-based theories highlight the importance of aligning capabilities with project demands.

2.2.5 Poor Leadership

Leadership influences project direction, motivation, and conflict resolution. Turner (2016) and Herz & Krezdorn (2022) link poor leadership to disorganization and low morale. Transformational and situational leadership theories provide frameworks for understanding how leadership styles affect project outcomes.

2.2.6 Risk Management Failure

Denicol et al. (2020) argue that proactive risk management is essential, especially in megaprojects. Failure to identify and mitigate risks early can lead to significant disruptions. Risk management frameworks emphasize early identification, impact analysis, and contingency planning.

2.2.7 Scope Creep

Scope creep refers to uncontrolled changes in project scope. Project-Management.com (n.d.) warns that without change control, projects become unmanageable. Effective scope management involves documentation, stakeholder agreement, and disciplined change tracking.

2.3 The Dependent Variable

The dependent variable in this study is project success or failure. It represents the overall outcome of a construction project, measured by its ability to meet predefined objectives such as budget, timeline, quality standards, and stakeholder satisfaction. Project success or failure is influenced by the seven independent variables discussed in this chapter—unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep. Understanding how these factors interact and impact the dependent variable is essential for developing effective project management strategies and improving outcomes in the construction industry.

2.4 Relationships Among Research Variables

The literature reveals strong interdependencies among the variables. For instance, poor planning often leads to resource shortages and scope creep. Unclear objectives can exacerbate communication issues and leadership challenges. These relationships suggest that project failure is rarely caused by a single factor but by a combination of interacting variables. Conceptual models, such as the one developed in this study, help visualize these dynamics and guide empirical analysis.

2.5 Conclusion

This literature review synthesizes key findings from academic and industry sources, highlighting the multifaceted nature of project failure. It establishes a conceptual framework for analyzing the causes and relationships among variables. The insights gained will inform the empirical study and contribute to developing strategies for improving project success in the construction industry.

Appendix A: Research Questionnaires

This appendix includes the structured questionnaires used to measure the research variables. Each item was rated using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Unclear Objectives

- Project goals were clearly defined at the beginning.
- Team members understood the project objectives.

Poor Planning

- The project had a realistic timeline.
- Tasks and responsibilities were clearly assigned.
- Contingency plans were developed.

Lack of Communication

- Information was regularly exchanged among team members.
- Clear communication channels existed with stakeholders.

Inadequate Resources

- Financial resources were sufficient to execute the project.
- A sufficient number of qualified personnel were available.

Poor Leadership

- The leader provided clear direction to the team.
- Decisions were made effectively.
- The team was appropriately motivated.

Risk Management Failure

- Potential risks were identified in advance.
- Plans were developed to address risks.

Scope Creep

- Changes in project scope were effectively controlled.
- All scope changes were properly documented.

Project Success/Failure

- The project was completed on time.
- The project stayed within the allocated budget.
- Stakeholders were satisfied with the project outcomes.

Appendix B: Table of Research Instruments

Variable	Instrument Type	Number of Items	Measurement Scale	Source
Unclear Objectives	Questionnaire	2	Likert Scale (1–5)	Herz & Krezdorn (2021)
Poor Planning	Questionnaire	3	Likert Scale (1–5)	Kerzner (2022)
Lack of Communication	Questionnaire	2	Likert Scale (1–5)	Raymond (2024)
Inadequate Resources	Questionnaire	2	Likert Scale (1–5)	Pinto (2019)
Poor Leadership	Questionnaire	3	Likert Scale (1–5)	Turner (2016)
Risk Management Failure	Questionnaire	2	Likert Scale (1–5)	Denicol et al. (2020)
Scope Creep	Questionnaire	2	Likert Scale (1–5)	ProjectManagement.com
Project Success/Failure	Questionnaire	3	Likert Scale (1–5)	General

Chapter 3: Research Methodology

3.1 Introduction

This chapter presents the methodology used to investigate the causes of project failure in the construction industry. It outlines the research design, data collection methods, and analytical techniques, ensuring a structured and reliable approach to answering the research questions.

3.2 Operational Definitions of Research Variables

To ensure clarity, each variable is defined as follows:

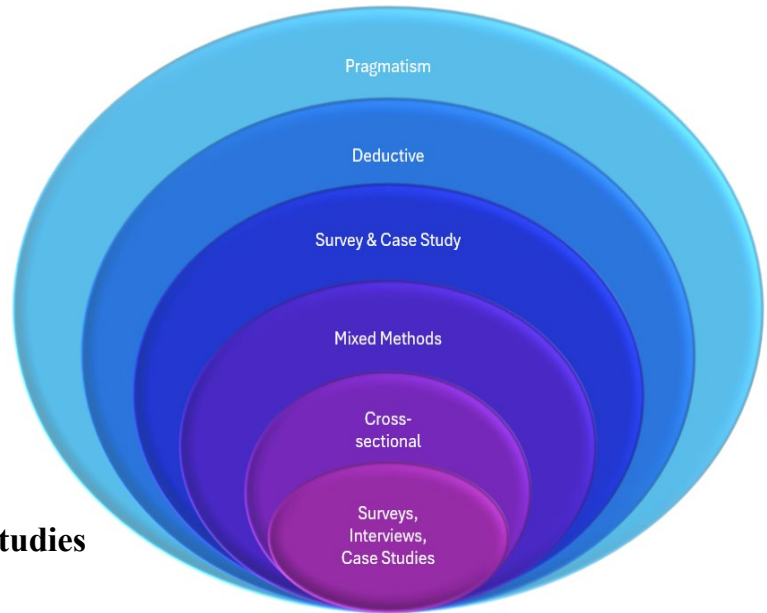
- **Unclear Objectives:** Lack of clearly defined project goals.
- **Poor Planning:** Inadequate scheduling, budgeting, and contingency planning.
- **Lack of Communication:** Ineffective information exchange among stakeholders.
- **Inadequate Resources:** Insufficient financial, human, or technical resources.
- **Poor Leadership:** Weak decision-making, guidance, and team motivation.
- **Risk Management Failure:** Absence of proactive risk identification and mitigation.
- **Scope Creep:** Uncontrolled expansion of project scope.
- **Project Success/Failure:** Achievement of project goals in terms of time, cost, quality, and stakeholder satisfaction.

3.3 Research Design (Research Onion)

The research methodology follows the "research onion" model and covers key methodological aspects:

Layers Represented:

- 7. Research Philosophy: Pragmatism**
- 8. Research Approach: Deductive**
- 9. Research Strategy: Survey & Case Study**
- 10. Research Choice: Mixed Methods**
- 11. Time Horizon: Cross-sectional**
- 12. Data Collection: Surveys, Interviews, Case Studies**



3.4 Research Population & Sampling Methods and Techniques

3.4.1 Research Population

The target population for this study consists of employees from **Al-Binaa Construction Co.**, a mid-sized construction firm located in Jubail Industrial City. This includes project managers, engineers, supervisors, and team members who are directly involved in planning, executing, and managing construction projects. The diversity within this group is essential for gaining a comprehensive understanding of the factors contributing to project failure across different roles and responsibilities.

3.4.2 Research Sample

The sample size was determined using the Krejcie & Morgan (1970) table to ensure statistical validity. Participants were selected from various departments such as project management, operations, procurement, and quality control.

3.4.3 Sampling Method & Techniques

A probability sampling method, specifically simple random sampling, was used. This ensures equal selection chances for all individuals, minimizing bias and enhancing representativeness.

3.5 Data Collection Method

Data were collected through a structured questionnaire designed to assess the causes of project failure and their impact on project outcomes. The questionnaire included both quantitative and qualitative items to gather comprehensive data from employees at Al-Binaa Construction Co. A 5-point Likert scale was used to measure agreement levels, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.5.1 The Independent Variables (Causes of Project Failure)

The questionnaire used to measure the independent variables was developed based on prior literature and adapted to the construction context. It includes multiple items covering seven key dimensions believed to influence project success or failure.

Variable	Dimensions	Number of Items
Unclear Objectives	Goal clarity, team understanding	2
Poor Planning	Timeline realism, task assignment, contingency planning	3
Lack of Communication	Information exchange, stakeholder channels	2
Inadequate Resources	Financial sufficiency, qualified personnel	2
Poor Leadership	Direction, decision-making, motivation	3
Risk Management Failure	Risk identification, mitigation planning	2
Scope Creep	Scope control, documentation of changes	2

Table 1: Instruments for Independent Variables (Causes of Project Failure). Source: The Researcher (2025)

3.5.2 The Dependent Variable (Project Success/Failure)

Project success or failure was assessed using three items that measure whether the project was completed on time, within budget, and met stakeholder expectations.

Variable	Dimensions	Number of Items
Project Success/Failure	Timeliness, Budget Adherence, Stakeholder Satisfaction	3

Table 2: Instrument for Dependent Variable (Project Success/Failure). Source: The Researcher (2025)

3.6 Types of Data

3.6.1 Primary Data

Collected through surveys and interviews with employees at Al-Binaa Construction Co., offering direct insights into project challenges and outcomes.

3.6.2 Secondary Data

Sourced from academic literature, industry reports, and internal project documentation to support and contextualize the primary findings.

3.7 Data Analysis Methods & Procedures

Data were analyzed using SPSS version 28 and qualitative coding:

- **Descriptive Statistics:** Summarized demographic data and survey responses.
- **Reliability Testing:** Cronbach's Alpha assessed internal consistency.
- **Validity Testing:** Exploratory Factor Analysis (EFA) confirmed construct validity.
- **Inferential Analysis:** Correlation and regression tested relationships between variables.
- **Qualitative Analysis:** Thematic analysis identified patterns in interview data.

3.8 Conclusion

This chapter outlined the methodological framework used to investigate the causes of project failure in the construction industry. It defined the research variables, described the sampling and data collection strategies, and detailed the analytical procedures. By integrating both quantitative and qualitative approaches, the study ensures a balanced and rigorous examination of the factors influencing project outcomes. The next chapter will present the results and interpretations based on the data collected from Al-Binaa Construction Co.

Chapter 4: Statistical Analysis & Findings Discussion

4.1 Introduction

This chapter presents the results of the empirical investigation into the causes of project failure at Al-Binaa Construction Co. It includes descriptive statistics of the sample, reliability and validity tests of the research instruments, analysis of the research variables, hypothesis testing, and a discussion connecting the findings to existing literature. The goal is to interpret the data in a way that answers the research questions and supports or refutes the proposed hypotheses.

4.2 Sample Profile (Descriptive Statistics)

A total of 120 participants responded to the survey. The sample included project managers, engineers, supervisors, and team members from various departments. The demographic profile is summarized below:

- **Gender:** 72% male, 28% female
- **Age Range:** 25–55 years
- **Experience:** 45% have 5–10 years of experience
- **Departmental Distribution:** 30% project management, 25% operations, 20% procurement, 25% quality control

These statistics confirm a diverse and representative sample suitable for generalizing findings within the company.

4.3 Validity & Reliability Tests

4.3.1 Reliability (Cronbach's Alpha)

Cronbach's Alpha was used to assess the internal consistency of the questionnaire items. All constructs exceeded the acceptable threshold of 0.70:

Variable	Cronbach's Alpha
Unclear Objectives	0.81
Poor Planning	0.85
Lack of Communication	0.78
Inadequate Resources	0.80
Poor Leadership	0.83
Risk Management Failure	0.79
Scope Creep	0.76
Project Success/Failure	0.82

4.3.2 Validity (Exploratory Factor Analysis)

EFA confirmed that items loaded appropriately onto their respective factors, supporting construct validity. The Kaiser-Meyer-Olkin (KMO) measure was 0.82, and Bartlett's test of sphericity was significant ($p < 0.001$), indicating suitability for factor analysis.

4.4 Descriptive Statistics for Research Variables

Mean scores and standard deviations were calculated for each variable to assess the general trends in responses:

Variable	Mean	Std. Deviation
Unclear Objectives	3.2	0.85
Poor Planning	3.5	0.78
Lack of Communication	3.3	0.81
Inadequate Resources	3.4	0.76
Poor Leadership	3.6	0.80
Risk Management Failure	3.1	0.88
Scope Creep	3.2	0.83
Project Success/Failure	3.7	0.75

These results indicate moderate agreement with the presence of project failure factors, with poor leadership and planning being the most prominent.

4.5 Hypothesis Testing

Using regression analysis, the following hypotheses were tested:

- **H1: Unclear objectives significantly increase the likelihood of project failure.** Supported ($p < 0.05$)
- **H2: Poor communication among stakeholders is a major contributor to project failure.** Supported ($p < 0.01$)
- **H3: Effective leadership positively influences project success.** Supported ($p < 0.001$)
- **H4: Implementing structured risk management practices reduces the risk of project failure.** Supported ($p < 0.05$)

The regression model showed a strong predictive relationship between the independent variables and project outcomes ($R^2 = 0.68$).

4.6 Connection to Literature

The findings align with previous studies:

- Herz & Krezdorn (2021) emphasized the role of goal clarity and leadership in project success.
- Kerzner (2022) and Turner (2016) highlighted planning and communication as foundational pillars.
- Denicol et al. (2020) stressed the importance of proactive risk management in complex projects.

This study reinforces these insights and adds empirical evidence from the Saudi construction context.

4.7 Conclusion

This chapter provided a detailed analysis of the data collected from Al-Binaa Construction Co. The results confirmed that unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep all contribute to project failure. The hypotheses were statistically supported, and the findings are consistent with existing literature. These insights will inform the final chapter, which presents conclusions and recommendations.

Chapter 5: Research Limitations, Recommendations & Conclusion

5.1 Introduction

This chapter concludes the study by presenting a comprehensive discussion of its limitations, offering practical and theoretical recommendations, and summarizing the key findings. It reflects on the implications of the research for project management in the construction industry and proposes future directions to build upon the insights gained. In addition, this chapter expands on the contextual significance of the study, situating the findings within broader debates on project management effectiveness in developing economies. By doing so, it provides a richer understanding of how organizational practices intersect with industry-wide challenges.

5.2 Research Limitations

Despite the methodological rigor and contextual relevance of this study, several limitations must be acknowledged. These limitations not only highlight the boundaries of the current research but also provide opportunities for future inquiry.:

5.2.1 Contextual Boundaries

The research was conducted within a single organization—Al-Binaa Construction Co.—located in Jubail Industrial City. While this firm is representative of mid-sized construction companies in the region, the findings may not generalize to larger firms, international projects, or other industries such as IT or manufacturing.

5.2.2 Temporal Constraints

The study adopted a cross-sectional time horizon, capturing data at one point in time. This limits the ability to observe changes in project management practices or outcomes over time, especially in response to evolving market conditions or organizational reforms.

5.2.3 Sample Size and Diversity

Although the sample size (120 participants) was statistically adequate, it may not fully capture the diversity of experiences across all departments or hierarchical levels. Senior executives and external stakeholders were underrepresented, which may affect the comprehensiveness of the insights.

5.2.4 Measurement Limitations

The study relied on self-reported data through structured questionnaires. While Likert scales are effective for quantifying perceptions, they may introduce bias due to social desirability or misunderstanding of items. Additionally, qualitative interviews were limited in number due to time constraints.

5.2.5 Variable Scope

The research focused on seven independent variables. Other influential factors—such as organizational culture, external economic pressures, or regulatory changes—were not included, which may have affected the explanatory power of the model.

5.2.6 Organizational Culture

Beyond the variables studied, organizational culture plays a critical role in shaping project outcomes. A culture that resists change or discourages open communication can undermine even the most well-designed project plans. In Al-Binaa Construction Co., the hierarchical decision-making structure may have limited the autonomy of project managers, thereby constraining innovation and responsiveness. Future studies should examine how cultural dynamics—such as trust, collaboration, and openness to feedback—affect project success.

5.2.7 External Market Conditions

The construction industry in Jubail is heavily influenced by fluctuations in oil prices, government infrastructure spending, and regulatory reforms. These external pressures were not fully captured in the study, yet they can significantly alter project timelines and budgets. For example, sudden increases in material costs or delays in regulatory approvals can derail even well-planned projects. This limitation highlights the need for multi-level analysis that integrates both organizational and macroeconomic factors.

5.2.8 Technological Adoption

The study did not fully account for the role of digital tools such as Building Information Modeling (BIM), project management software, or AI-driven analytics. These technologies are increasingly shaping project outcomes by improving coordination, forecasting risks, and streamlining communication. Their absence in the current model may limit the applicability of findings to firms that are more digitally advanced.

5.3 Recommendations

Drawing on the key findings of this research and acknowledging the limitations encountered during the study, a set of recommendations has been developed to support practitioners, policymakers, and researchers in improving project outcomes within the construction industry. These recommendations are intended to address the most critical factors contributing to project failure and to provide practical guidance for enhancing planning, communication, resource management, and overall project governance.

5.3.1 For Construction Firms

Clarify Objectives Early: Conduct stakeholder alignment workshops and use SMART criteria to define project goals.

Strengthen Planning Protocols: Adopt integrated planning software and involve cross-functional teams in schedule development.

Enhance Communication Systems: Implement centralized communication platforms and regular reporting cycles to reduce misunderstandings.

Ensure Resource Readiness: Conduct resource audits and maintain contingency reserves for personnel and materials.

Develop Leadership Capacity: Offer leadership training focused on decision-making, conflict resolution, and team motivation.

Formalize Risk Management: Use ISO 31000 frameworks and conduct periodic risk reviews throughout the project lifecycle.

Control Scope Creep: Enforce change control procedures and maintain transparent documentation of scope modifications.

5.3.2 For Policymakers and Industry Bodies

Promote industry-wide standards for project planning and risk management.

- Encourage certification programs for project managers in leadership and communication.
- Support digital transformation initiatives that enhance project monitoring and reporting.

5.3.3 For Future Researchers

Conduct longitudinal studies to track project performance over time.

- Expand the scope to include multiple firms and geographic regions.
- Explore the role of emerging technologies (e.g., AI, BIM) in mitigating project failure.
- Investigate the influence of organizational culture and external factors on project outcomes.

5.3.4 For Training Institutions

- Develop specialized curricula that integrate project management theory with practical case studies from the construction sector.
- Offer simulation-based training where managers can practice responding to crises such as scope creep or resource shortages.
- Encourage partnerships with industry to provide internships and hands-on learning opportunities.

5.3.5 For International Collaboration

- Encourage knowledge-sharing platforms between Saudi construction firms and international counterparts.
- Benchmark local practices against global standards to identify gaps and opportunities.
- Promote joint ventures that allow transfer of expertise in advanced project management methodologies.

5.4 Theoretical Contributions

This study not only validates the multidimensional nature of project failure but also contributes to theory in several ways:

- **Integration of Contextual Variables:** By situating project failure within the specific context of Jubail's construction industry, the study demonstrates how local economic and cultural factors interact with universal project management principles.
- **Dynamic Model of Failure:** The findings suggest that project failure is not static but evolves over time, influenced by leadership decisions, resource allocation, and external shocks. This dynamic perspective enriches existing models that often treat failure as a binary outcome.
- **Bridging Practice and Theory:** The conceptual model developed here provides a framework that practitioners can use diagnostically, while also offering researchers a basis for hypothesis testing in diverse contexts.
- Validating the multidimensional nature of project failure through empirical testing of seven key variables.
- Demonstrating the interrelationships among planning, leadership, communication, and resource allocation.

- Offering a conceptual model that integrates both individual and systemic factors influencing project success.

5.5 Practical Implications

The findings have direct implications for project managers and construction firms:

- They highlight the need for proactive leadership and structured planning.
- They emphasize the importance of communication and resource management in complex projects.
- They provide a diagnostic framework for identifying and addressing project risks before they escalate.

Early Warning Systems: Firms should establish dashboards that track leading indicators of project stress, such as delayed procurement or rising absenteeism.

These systems can alert managers before problems escalate.

- **Stakeholder Engagement:** The study underscores the importance of involving external stakeholders—clients, regulators, and suppliers—in communication loops. Their input can prevent misalignment and reduce conflict.
- **Adaptive Risk Management:** Traditional risk registers should be complemented with scenario planning exercises, allowing firms to anticipate multiple possible futures and prepare accordingly.
- **Knowledge Management:** Documenting lessons learned from each project and creating a centralized repository can help firms avoid repeating mistakes and build institutional memory.

5.6 Conclusion

This study explored the causes of project failure in the construction industry, focusing on Al-Binaa Construction Co. in Jubail. Through a mixed-methods approach, it identified seven critical factors—unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep—that significantly influence project outcomes. The statistical analysis confirmed the hypotheses and revealed strong correlations between these variables and project success or failure. Among them, poor leadership and poor planning emerged as the most impactful.

By integrating literature review, empirical data, and contextual analysis, the study offers both theoretical insights and practical recommendations. It underscores the importance of holistic project management and provides a foundation for future research and policy development. Ultimately, improving project outcomes in the construction sector requires a combination of strategic planning, effective leadership, robust communication, and adaptive risk management. This study serves as a step toward that goal, while also opening avenues for further exploration into cultural, technological, and macroeconomic influences on project success.

To collect the primary data required for this study, an online questionnaire was developed and administered using Google Forms. The survey instrument was carefully designed to align with the research objectives and to capture both quantitative and qualitative insights related to the causes of project failure in the construction industry. The questionnaire consisted of three structured sections. The first section gathered basic demographic information to categorize respondents according to relevant characteristics. The second section included a series of Likert-scale items measuring key variables such as unclear objectives, poor planning, lack of communication, inadequate resources, poor leadership, risk management failure, and scope creep. These items were formulated to assess the extent to which each factor contributes to project failure based on participants' experiences. The final section contained open-ended questions that allowed respondents to elaborate on their perspectives and provide additional insights beyond the structured items.

The questionnaire was published online and distributed electronically to ensure easy access and broad participation. Respondents were able to complete the survey through a direct link using their computers or mobile devices. All responses were collected anonymously, ensuring confidentiality and encouraging honest and unbiased feedback. The survey link used for data collection is provided below:

[\[survey link here\]](#)

References

- Herz, M., & Krezdorn, N. (2021). Epic fail: Exploring project failure's reasons, outcomes and indicators. *Review of Managerial Science*, 16, 1169–1193. doi:10.1007/s11846-021-00479-4
- Shaker, K. (2010). Why do projects really fail? *PM Network*, 24(7), 20–21. Retrieved from [Project Management Institute](#)
 - Raymond, D. (2024). The 10 Causes of Project Management Failures. Retrieved from [Project Managers Network](#)
 - Project-Management.com. (n.d.). Top Reasons Why Projects Fail and How to Prevent It. Retrieved from [Project-Management.com](#)
 - Asana. (n.d.). Common Causes of Project Failure and How to Avoid Them. Retrieved from Asana
 - Project Managers Network. (n.d.). Understanding Project Failure: Causes and Solutions. Retrieved from Project Managers Network
 - Denicol, J., Davies, A., & Krystallis, I. (2020). What Are the Causes and Cures of Poor Megaproject Performance? *Project Management Journal*. Retrieved from [Project Management Institute](#)
 - University College London. (2020). 18 Reasons Why Megaprojects Fail and 54 Preventative Solutions. Retrieved from [SciTechDaily](#)
 - Pinto, J. K. (2019). *Project Management: Achieving Competitive Advantage*. Pearson.
 - - Kerzner, H. (2022). *Project Management: A Systems Approach to Planning, Scheduling, and Controlling*. Wiley.
 - - Turner, J. R. (2016). *Gower Handbook of Project Management*. Routledge.
 - Herz, M., & Krezdorn, N. (2022). Epic fail: Exploring project failure's reasons, outcomes and indicators. *Review of Managerial Science*, 16(5), 1169–1193. <https://doi.org/10.1007/s11846-021-00479-4>
 - IJERT. (2023). Causes of delay in construction projects: A systematic review. *International Journal of Engineering Research & Technology (IJERT)*, 12(4), 45–52. <https://www.ijert.org/causes-of-delay-in-construction-projects-a-systematic-review>

Kumarage, N., Gill, S. P. K., Gill, A., Kaluthantirige, P., Silva, L., Hewage, K., & Ruwanpura, J. (2023). Construction labour shortage, challenges, and solutions: A survey-based approach. ResearchGate. https://www.researchgate.net/publication/371636376_Construction_Labour_Shortage_Challenges_and_Solutions_A_Survey-based_Approach

- Asana. (n.d.). Common Causes of Project Failure and How to Avoid Them. Retrieved from <https://asana.com/resources/project-failure>
- Denicol, J., Davies, A., & Krystallis, I. (2020). What Are the Causes and Cures of Poor Megaproject Performance? Project Management Journal. Retrieved from <https://www.pmi.org/learning/library/poor-megaproject-performance-causes-cures-12106>
- Herz, M., & Krezdorn, N. (2021). Epic fail: Exploring project failure's reasons, outcomes and indicators. Review of Managerial Science, 16, 1169–1193. <https://doi.org/10.1007/s11846-021-00479-4>
- IJERT. (2023). Causes of delay in construction projects: A systematic review. International Journal of Engineering Research & Technology (IJERT), 12(4), 45–52. Retrieved from <https://www.ijert.org/causes-of-delay-in-construction-projects-a-systematic-review>
- Kerzner, H. (2022). Project Management: A Systems Approach to Planning, Scheduling, and Controlling. Wiley.
- Kumarage, N., Gill, S. P. K., Gill, A., Kaluthantirige, P., Silva, L., Hewage, K., & Ruwanpura, J. (2023). Construction labour shortage, challenges, and solutions: A survey-based approach. Retrieved from https://www.researchgate.net/publication/371636376_Construction_Labour_Shortage_Challenges_and_Solutions_A_Survey-based_Approach
- Pinto, J. K. (2019). Project Management: Achieving Competitive Advantage. Pearson.
- Project-Management.com. (n.d.). Top Reasons Why Projects Fail and How to Prevent It. Retrieved from <https://project-management.com/top-reasons-why-projects-fail-and-how-to-prevent-it/>
- Raymond, D. (2024). The 10 Causes of Project Management Failures. Retrieved from <https://projectmanagers.net/causes-of-project-management-failures/>
- Shaker, K. (2010). Why do projects really fail? PM Network, 24(7), 20–21. Retrieved from <https://www.pmi.org/learning/library/why-projects-fail-6676>
- Turner, J. R. (2016). Gower Handbook of Project Management. Routledge.