

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

19-10-2025 – Third Trimester 2025

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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

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.

1.2.1. 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.

1.2.2. 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

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.

1.3.1. 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.

1.3.2. 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.

1.1. 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?

1.2. 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.

1.3. 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.

1.4. 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.

1.4.1 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.

1.5 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.

1.6 Research Methodology

1.6.1 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.

1.6.2 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.

1.6.3 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.

1.6.4 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.

1.6.5 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.

1.6.6 Data Collection and Analysis Techniques

Data Collection:

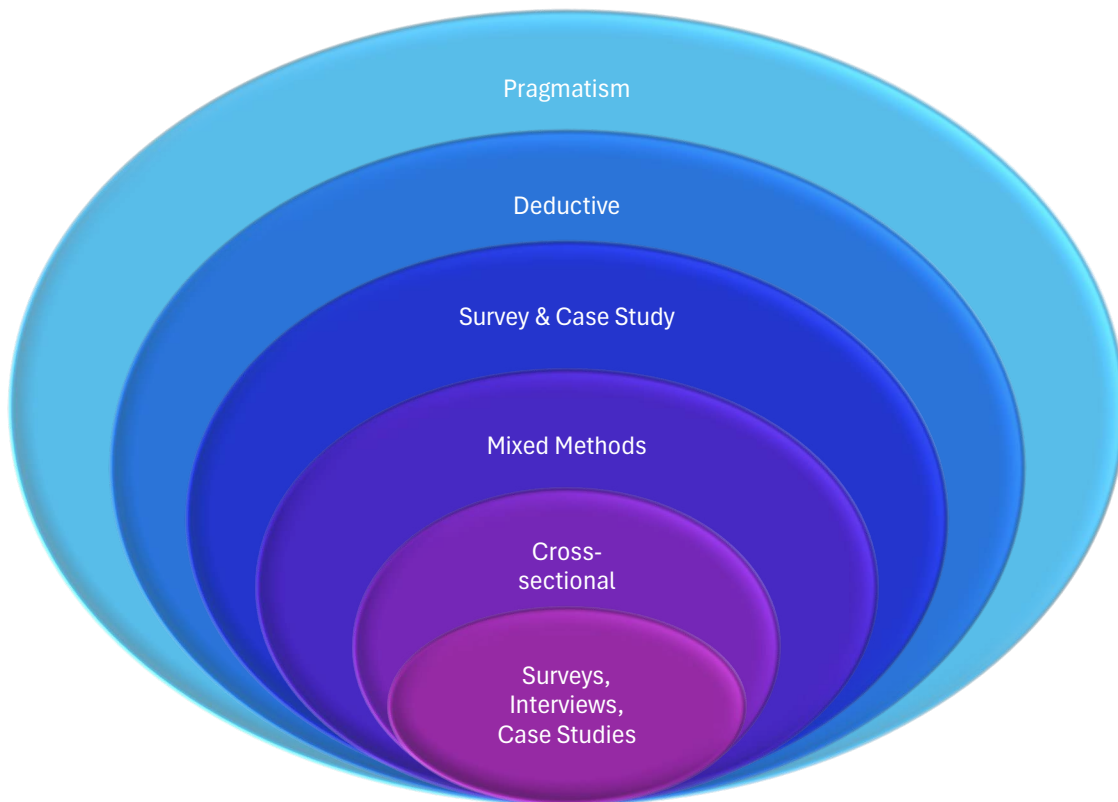
- **Surveys:** Structured questionnaires using Likert scales.
- **Interviews:** Semi-structured interviews with open-ended questions.
- **Case Studies:** Review of project reports and documentation from Al-Binaa Construction Co.

Data Analysis:

- **Quantitative:** Descriptive statistics and **regression analysis** to test hypotheses.

- **Qualitative: Thematic analysis** to identify patterns and themes in interview responses.

1.6.7 The research onion diagram



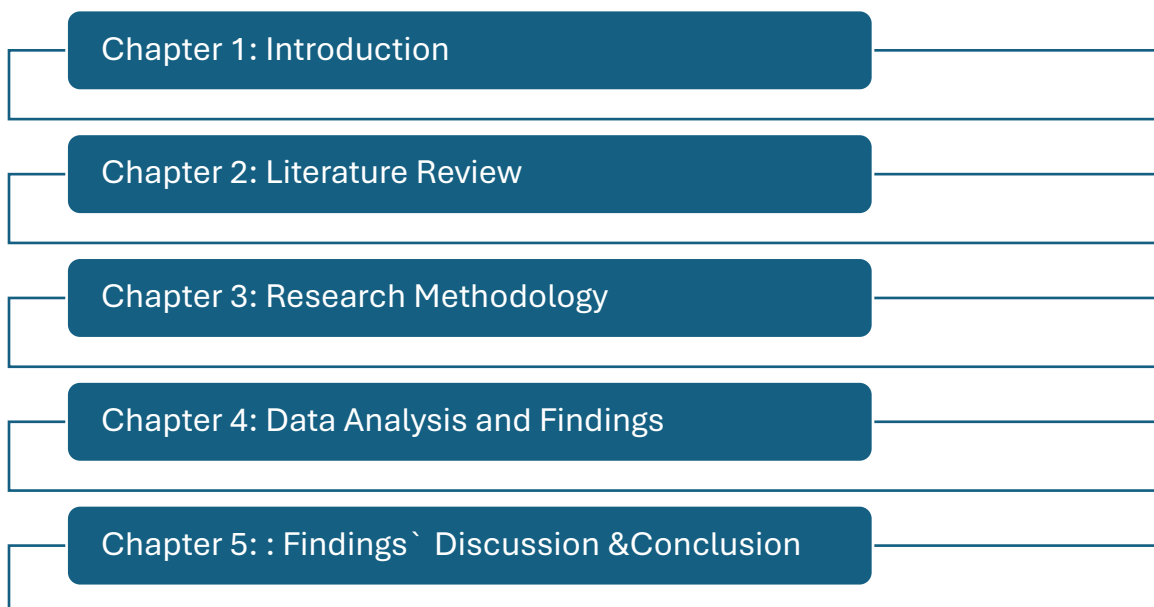
Layers Represented:

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**

1.7 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.

1.8 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

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