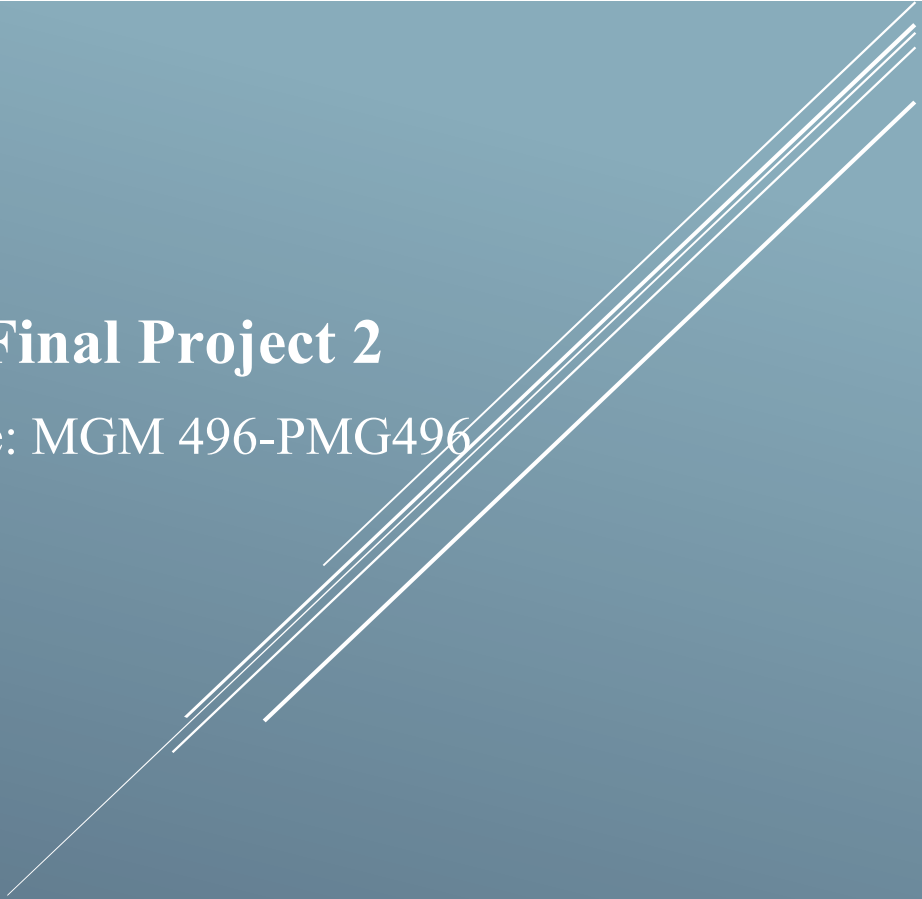




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**Impact of Risk Management on Project Performance in Saudi Construction:
Case of Nesma & Partners Co.**

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**Impact of Risk Management on Project Performance in Saudi Construction:
Case of Nesma & Partners Co.**

Chapter 5

Research Limitations, Recommendations, and Conclusion

5.1 Abstract

This study examined the relationship between risk management practices and project performance in the Saudi construction sector, using Nesma & Partners Co. as the case organization. A structured survey questionnaire was administered to 48 employees with direct experience of construction project delivery, covering four constructs risk identification, risk assessment, risk mitigation, and governance challenges together with three dimensions of project performance: cost, schedule, and quality. Data were analyzed using descriptive statistics, Cronbach's Alpha reliability testing, Pearson correlation, and simple linear regression to test four hypotheses (H1–H4).

The results show statistically significant positive relationships between risk identification and both cost and schedule performance (H1), between risk assessment and schedule reliability (H2), and between risk mitigation and both quality and overall performance (H3), together with a significant negative relationship between governance challenges and overall performance (H4). All four hypotheses were therefore supported at the 5% significance level. However, reliability testing showed that four of the seven measurement scales Risk Identification, Risk Assessment, Cost Performance, and Challenges in Governance did not meet conventional standards of internal consistency, with several returning negative Cronbach's Alpha coefficients. Combined with the small, demographically homogeneous sample ($N = 48$, drawn from a single organization), this means the statistical relationships reported should be interpreted as preliminary and directionally indicative rather than conclusive evidence.

The study concludes that structured risk governance is associated with improved project performance in this sample, consistent with the wider construction management literature, while highlighting a clear need for instrument refinement and a larger, more diverse sample before the relationships can be generalized with confidence. Recommendations are provided for organizational practice at Nesma & Partners Co. and for future research.

5.2 Research Limitations

While the findings in Chapter 4 provide useful preliminary evidence on the relationship between risk management and project performance, several limitations should be acknowledged before the results are generalized or used to inform organizational decisions. Table 5.1 summarizes the main limitations and their implications for interpreting the results.

Table 5.1: Summary of Research Limitations

Limitation	Description	Implication
Scale reliability	Four of seven constructs (Risk Identification, Risk Assessment, Cost Performance, Challenges in Governance) returned unacceptable or negative Cronbach's Alpha; only Quality Performance met the $\alpha \geq 0.70$ threshold.	Items in the affected scales may not be measuring a single underlying construct; hypothesis results involving these scales should be treated as preliminary.
Common-method variance	All constructs (predictors and outcomes) were collected via a	Relationships between constructs may be

	single self-report questionnaire at one point in time.	partly inflated by shared method variance rather than reflecting the true underlying effect.
Cross-sectional design	Data were collected at a single point in time rather than across the project lifecycle.	The direction of causality between risk management practices and performance outcomes cannot be firmly established.

Taken together, these limitations do not invalidate the findings, but they do mean the four hypotheses should be understood as statistically supported within this specific sample rather than as generalizable conclusions about risk management and performance across the Saudi construction sector as a whole.

5.3 Recommendations

5.3.1 Recommendations for Organizational Practice

Based on the findings, the following recommendations are proposed for Nesma & Partners Co. and similar construction organizations:

- Strengthen risk identification and assessment practices, given that respondents rated both areas at only a moderate level ($M = 3.36$ and $M = 3.25$ respectively), despite their significant positive association with cost, schedule, and reliability outcomes.

- Formalize and expand risk mitigation activities, since mitigation showed the strongest relationship with quality performance ($r = 0.981$) of any construct tested, indicating high potential return on further investment in this area.
- Address governance challenges directly particularly incomplete risk identification and limited stakeholder communication given the strong negative relationship found between governance challenges and overall performance ($r = -0.988$).
- Pilot-test internal risk questionnaires and monitoring instruments before wide deployment, to avoid the data quality issues encountered in this study.
- Broaden data collection for internal monitoring and evaluation to include a wider range of roles, genders, and experience levels, to obtain a more representative picture of risk governance across the organization.

5.3.2 Recommendations for Future Research

For future academic research building on this study, the following are recommended:

- Re-administer a revised questionnaire to a larger and more demographically diverse sample, ideally spanning multiple organizations, genders, experience levels, and project types, to improve external validity.
- Review and revise the wording of items in the Risk Identification, Risk Assessment, Cost Performance, and Challenges in Governance scales, drawing on validated instruments from the literature (e.g., Zou et al., 2007) and checking for reverse-scored items that may not have been recoded correctly.

- Conduct a pilot test and reliability check (Cronbach's Alpha) before full-scale data collection, and revise or discard any scale below the $\alpha \geq 0.70$ threshold rather than proceeding with hypothesis testing on unreliable measures.
- Consider a mixed-methods design, adding qualitative interviews to help explain the moderate-to-neutral ratings observed for risk mitigation and quality performance.
- Consider a longitudinal design that follows projects over time, to better establish the direction of causality between risk management practices and performance outcomes.
- Reconcile the study's methodology chapter with the data collection method actually used: since the analysis in Chapter 4 is based on a primary quantitative survey (not secondary qualitative data), Chapter 1 and Chapter 3 should be revised to describe a quantitative, survey-based research design for internal consistency across the thesis.

5.4 Conclusion

This study set out to examine the extent to which risk management practices influence project performance in the Saudi construction sector, using Nesma & Partners Co. as a case organization, and to address the four research questions and five objectives set out in Chapter 1.

In relation to the first objective and research question, the findings show that risk identification has a significant positive relationship with both cost and schedule performance, supporting the view in the literature that early identification of risks reduces the likelihood of downstream cost and time overruns (Zou et al., 2007). In relation to risk assessment, the results show a strong positive relationship with

schedule reliability, consistent with the argument that systematic assessment tools improve project outcomes (Raz & Michael, 2001) and with the Project Management Institute's (2021) framework, which positions assessment as a precursor to effective response planning. Risk mitigation was found to have a very strong relationship with quality performance and a strong relationship with overall project performance, supporting Chapman and Ward's (2011) argument that risk strategies add the most value when embedded in execution rather than treated as a documentation exercise. Finally, governance challenges including incomplete risk identification and limited stakeholder communication were found to have a strong negative relationship with overall performance, directly addressing the fourth research question and reinforcing the practical importance of the fifth objective: providing recommendations for governance improvement.

Taken together, all four hypotheses were statistically supported, and the overall pattern of results is directionally consistent with the risk management literature reviewed in Chapter 2. At the same time, this conclusion is tempered by the limitations discussed in Section 5.2: the small and demographically narrow sample, the unacceptable reliability of several measurement scales, and the cross-sectional, single-organization design mean the results should be read as preliminary, empirically grounded evidence rather than definitive proof of the relationships tested.

The study nonetheless makes a meaningful contribution. Theoretically, it provides one of the few empirically grounded, statistically tested accounts of the risk management–performance relationship specifically within a Saudi infrastructure construction context, complementing a literature that has often relied on conceptual or qualitative treatments of this relationship. Practically, it offers Nesma & Partners Co. and organizations facing similar governance challenges evidence-

based direction for where to focus improvement efforts, particularly around risk mitigation and stakeholder communication. Subject to the refinements recommended in Section 5.3, this line of research offers a promising foundation for a more robust, generalizable study of risk governance and performance in the Saudi construction sector.

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