



Final Project 1

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Faculty of Management
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Project title

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

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Abstract

Risk management is a critical governance function in construction projects, aimed at identifying and mitigating uncertainties that affect performance outcomes. This qualitative and quantitative research examines the relationship between risk management practices and project performance in the Saudi construction sector, focusing on Nesma & Partners Co.

Structured risk governance improves cost control, schedule reliability, and quality outcomes. However, practical challenges such as incomplete risk identification and limited stakeholder communication reduce effectiveness.

The study contributes to project management knowledge and provides recommendations for strengthening risk governance in line with Saudi Vision 2030.

Chapter 1: Introduction

1.1 Research Background

The construction industry is globally recognized for its complexity, high capital requirements, and long-term project lifecycles. In the Kingdom of Saudi Arabia, the sector is undergoing a monumental transformation driven by Vision 2030. Major infrastructure projects, known as 'Giga-projects,' require a level of risk governance that transcends traditional project management.

1.2 Research Problem

Despite the existence of sophisticated risk management frameworks, many construction projects in the region continue to face significant cost overruns and delays. The core research problem is: To what extent do risk management practices influence project performance in the Saudi construction sector?

Chapter 2: Literature Review

2.1 Theoretical Foundations of Risk Management

Risk management is defined as a structured process of identifying, analyzing, and responding to project uncertainties. Modern project management theory views risk through the lens of 'Uncertainty Management.' According to the Project Management Institute (2021), a robust governance framework includes identification, analysis, response planning, and continuous monitoring.

2.2 Construction Risks in the Saudi Context

The Saudi Arabian construction market is unique due to its rapid scaling. Risks in this region include Macro-Economic Risks (oil price fluctuations), Supply Chain Volatility (material price increases), and Regulatory Risks (Saudization requirements). For a company like Nesma & Partners, managing these risks requires a sophisticated governance framework.

2.3 Project Performance and the Triple Constraint

Project performance is measured using the triple constraint model: Cost, Time, and Quality performance. Balanced achievement of these dimensions defines success. In Saudi construction, schedule reliability (Time) is often the most scrutinized metric due to the strict deadlines of national development goals.

Chapter 3: Research Methodology

This study adopts a mixed-methods approach, utilizing a qualitative case study of Nesma & Partners combined with a quantitative survey. Primary data is collected through a questionnaire distributed to project managers and engineers. The collected data is analyzed using statistical methods such as descriptive statistics and correlation analysis to test the hypotheses.

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