

**ADOPTION OF ARTIFICIAL INTELLIGENCE TO
MITIGATE AND RESOLVE DISPUTES IN THE SRI
LANKAN CONSTRUCTION INDUSTRY**

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DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books).

Signature:

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The above candidate has carried out research for the Masters dissertation under my supervision. I confirm that the declaration made above by the student is true and correct.

Name of the supervisor:

Signature of the supervisor:

Date:

DEDICATION

Dedicated to all striving to advance the Sri Lankan construction industry through innovation.

ACKNOWLEDGEMENTS

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ABSTRACT

Construction industry is a sector frequently affected by conflicts arising from contractual ambiguities, delayed payments, scope variations, and quality deficiencies. These disputes often cause project delays, cost overruns, and deterioration of professional relationships, while conventional mechanisms such as litigation and arbitration remain adversarial, time consuming, and costly. Consequently, there is a clear need for more efficient, technology enabled approaches to dispute management such as natural language processing, machine learning, and expert systems. These technologies can support automated contract review, prediction of claims, early identification of dispute risks, and data driven support for negotiation and mediation. However, despite the global diffusion of such tools, their integration into the Sri Lankan construction sector remains limited. Therefore, this study examines the adoption of artificial intelligence (AI) technologies to enhance dispute mitigation and resolution within the Sri Lankan construction industry. It aims to assess the current level of awareness and willingness among industry professionals to implement AI tools, alongside evaluating the perceived benefits and utility of these technologies in managing construction disputes.

The study employed a quantitative research design and targets construction and information technology professionals actively engaged in the sector. Data were collected using structured questionnaires developed from the Technology Acceptance Model, Innovation Diffusion Theory, and Institutional Theory to capture awareness, perceived usefulness, perceived ease of use, and institutional pressures. The data are analysed using descriptive statistics to concerning the determinants of AI adoption intention.

The findings indicate that perceived usefulness and awareness of AI are the most influential drivers of willingness to adopt AI based tools, while technological complexity, regulatory ambiguity, organizational resistance, and cost related concerns significantly hinder adoption. Cognitive and institutional factors emerge as more critical than mere technological readiness. The study proposes strategic actions including targeted professional training, phased implementation of AI solutions, clearer regulatory guidance, and investment in digital infrastructure. These initiatives are expected to narrow the gap between AI's potential and its practical deployment, and to support the evolution of a more transparent, efficient, and collaborative dispute resolution environment aligned with Sri Lanka's long term development objectives.

Key Words: Artificial Intelligence, Construction Industry, Dispute

TABLE OF CONTENT

Declaration.....	i
Dedication.....	ii
Acknowledgements.....	iii
Abstract.....	iv
Table of Content	v
List of Tables	viii
List of Appendies.....	ix
1 Introduction	1
1.1 Background of the Study.....	1
1.2 Problem Statement	3
1.3 Research Aim and Objectives	5
1.3.1 Research Aim.....	5
1.3.2 Research Objectives.....	5
1.4 Research Methodology	5
1.5 Scope and Limitations.....	5
1.5.1 Scope of the Study	5
1.5.2 Limitations of the Study	6
1.6 Structure of the Dissertation	7
1.7 Chapter Summary	8
2 Literature Review	9
2.1 Introduction.....	9
2.2 Structure of Literature Review Findings.....	9
2.3 Overview of the Construction Industry in Sri Lanka.....	10
2.4 Nature and Causes of Disputes in Construction Projects.....	12
2.4.1 Nature of Construction Disputes	12
2.4.2 Common Types of Construction Disputes.....	13
2.4.3 Root Causes of Disputes.....	13
2.4.4 Impact of Disputes.....	14
2.4.5 Traditional Dispute Resolution Methods and Limitations.....	14
2.4.6 The Case for AI in Construction Dispute Resolution and Mitigation	15
2.5 Artificial Intelligence in the Construction Industry	15
2.5.1 Evolution and Scope of AI in Construction.....	16
2.5.2 AI and Dispute Resolution.....	16

2.5.3	Global Adoption Trends and Benefits	16
2.5.4	Challenges in AI Adoption	18
2.5.5	Overcome AI Adoption Barriers	18
2.5.6	Future Directions	19
2.6	AI Applications in Dispute Resolution	19
2.6.1	Contract Analysis and Risk Identification	19
2.6.2	Claims Prediction and Forecasting Disputes	20
2.6.3	Automated Mediation and Negotiation Support.....	20
2.6.4	Decision Support Systems	21
2.6.5	Document and Evidence Management	21
2.6.6	Challenges and Ethical Considerations	21
2.7	Theoretical Framework	22
2.7.1	Technology Acceptance Model (TAM).....	22
2.7.2	Innovation Diffusion Theory (IDT).....	22
2.7.3	Institutional Theory	24
2.8	Summary of Literature Gaps.....	25
2.9	Chapter Summary	26
3	Research Methodology.....	28
3.1	Introduction.....	28
3.2	Research Philosophy	28
3.3	Research Approach and Design	29
3.3.1	Research Strategy	29
3.3.2	Research Method	29
3.4	Sampling and Data Collection	30
3.4.1	Population.....	30
3.4.2	Sampling Method.....	30
3.4.3	Sample Size	30
3.4.4	Data Collection Procedure.....	31
3.5	Data Collection Instruments.....	31
3.5.1	Questionnaire Design.....	31
3.5.2	Advantages of Using Questionnaires.....	32
3.6	Data Analysis Techniques.....	32
3.7	Chapter Summary	33
4	Data Analysis and Research Findings	34
4.1	Introduction.....	34

4.2	Expert Panel Demographics.....	34
4.3	Current Awareness and Adoption of AI in the Sri Lankan Construction Industry	35
4.4	Key Types of Disputes in the Sri Lankan Construction Industry	36
4.5	Extent of AI Tool Utilization for Specific Dispute Resolution Functions.....	38
4.6	Perceived Benefits of AI Adoption in Dispute Resolution	39
4.7	Challenges to AI Adoption in the Sri Lankan Construction Industry.....	41
4.8	Suggested Strategies to Overcome AI Adoption Barriers	43
4.9	Perceptions of AI Impact on Employment and Roles in Construction	44
4.10	Consensus on AI Implementation Roadmap	46
4.11	Chapter Summary.....	47
5	Conclusions and Recommendations.....	50
5.1	Introduction.....	50
5.2	Summary of Key Findings	51
5.3	Limitations of the Study.....	56
5.4	Suggestions for Future Research.....	56
5.5	Final Reflections	57
	References.....	58
	Bibliography	61
	Appendices	63
	Appendix A: Sample Questionnaire	63

LIST OF TABLES

Table 4.1 Expert Panel Demographics	34
Table 4.2 Awareness and Adoption Levels of AI.....	35
Table 4.3 Ranking of Dispute Types by Prevalence and Impact.....	37
Table 4.4 AI Usage in Dispute Resolution Functions	38
Table 4.5 Expert Ratings on AI Benefits.....	40
Table 4.6 Ranking of AI Adoption Barriers	41
Table 4.7 Strategies for Overcoming AI Adoption Barriers.....	43
Table 4.8 Expert Opinions on AI's Impact on Employment.....	45
Table 4.9 AI Implementation Roadmap Phases	46

LIST OF APPENDIES

Appendix A: SampleQuestionier.....	63
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