RISK MANAGEMENT TO MINIMIZE DISPUTES IN CONSTRUCTION PROJECTS IN SRI LANKA

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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: Date: 02.07.2026

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

Name of Supervisor: Prof. Menaha Thayaparan

Signature of the Supervisor: Date: 02.07.2026

DEDICATION

To my beloved parents, who advanced my life by providing their boundless love, care, and encouragement.

To my loving husband, who always encouraged me and supported me, for his care for me and my kid, and for the time he dedicated for me to make this research a success.

To my loving three brothers and their sister-in-law, who provide all-time motivation, dedicating their time.

To my dear research supervisor, Prof. Menaha Thayaparan, for her great supervision in making this success.

I dedicated this research to all of them

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ABSTRACT

The study aims to bring out the management and mitigating factors of risks that can lead to disputes in construction projects. The study starts by outlining the theories of risk management asserting that risks may be both opportunities and threats based on their influence on project objectives. The risks theories highlighted here are the risk management theory, the prospect theory, the agency theory, the systems theory, and the real option theory since all of them help in giving an overall understanding of the risks with aims at minimizing.

The study presents the major causes of conflict in construction, which include financial risk, quality risk, environmental risk, schedule risk, design risk, supply chain risk, stakeholder risk, safety risk, and legal and regulatory risk. The research adopted a qualitative approach using qualitative research techniques. The high-risk areas are reflected as design variations, cost overruns and modifications of projects' scope, while the areas of low risk are identified as underground assets together with contaminated land.

Consequently, several key risk mitigation strategies are proposed after data analysis. The key strategies are efficient contract administration coupled with improved communication, provision for contingency, use of modern systems such as BIM & IoT, feasibility analyses, training sessions, and precaution. Such strategies concern the enhancement of strategic thinking and of the proactive planning, as fundamental for diminishing the tendency toward conflict and for guaranteeing the project success.

A comprehensive risk management framework has been developed by comprehensively identifying the risks systematically, categorizing them, and adopting effective ways of remediating the identified risks. Thus, the application of the mentioned multifaceted approach can help construction organizations manage risks, avoid conflicts, and reach favourable outcomes. Thus, the study highlights the need to enhance the organizational learning culture, engage with the key stakeholders, and adhere to the legal and regulatory requirements to improve risk management within the construction sector.

Keywords: Construction Projects, Dispute Minimization, Project Success, Risk Management, Sri Lanka

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