

The Impact of Cost Overrun Factors on the Project Performance in the Construction Industry of Sri Lanka

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The construction sector is an extremely vital business for the economic growth of the nation. However, this sector has been suffering significant issues by the inability to finish projects within an allowed cost and cost overrun affects the total project performances. Hence, this study determines to identify the impact of cost overrun factors on the performance in the construction industry of Sri Lanka. As an outcome, the findings of this study give recommendations and solutions to cost overrun factors that affect the performance of a project in Sri Lanka's construction sector. The aims of this research were attained utilising qualitative and quantitative data acquired through a comprehensive questionnaire survey and semi-structured interviews concurrently. The sum of circulated questionnaires was 50 and the number of responses was 90%. A detailed literature survey was carried out to establish the significant cost overrun factors that affect project performance. Correlation & regression analysis was conducted with the use of SPSS software to analyse the collected data. The interviewed questions were assessed through the content analysis. The findings of this study explain that the cost overruns have a major effect on project performance. Finally, solutions such as shifting to digitalisation, selecting the best construction management team and employees, properly tracking and monitoring progress, developing employee skills and maintaining a sustainable supply chain were found to be effective in overcoming the cost overrun factors that have an impact on the performance of Sri Lankan construction industry.

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