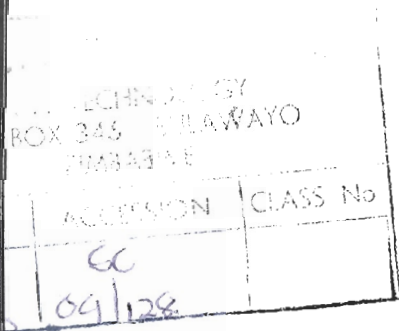


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An investigation on the effectiveness of Risk Management in curbing construction cost overrun in Zimbabwe

By



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Abstract

The major characteristics that define the construction industry are the high levels of risk that are associated with the projects and the occurrence of cost overruns. The main purpose of this research was to identify the major risks associated with the construction industry and also to assess the impact of risk management in the construction industry as a tool to fight cost overruns. A questionnaire survey was undertaken and interviews were carried out on project manager, quantity surveyor, architects and contractors in two cities in Zimbabwe: Harare and Bulawayo. The variables identified were ranked according to their perceived impact and their frequency of occurrence. Inflationary increase in material and labour cost, inaccurate material estimation and project complexity were found to be the major causes of cost overruns. The research also reviewed that risk management was not being practiced in the construction industry. Although to Zimbabwe specific, the results indicate construction management problems common to developing countries. There are indications that show that if risk management was to be practiced properly, the prevalence of cost overruns in Zimbabwe's construction industry would be reduced.