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Risk Management Practices In The Construction Industry In Malawi

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Abstract : This qualitative research study was conducted to identify the common risk factors that affect the construction industry in Malawi in the building and infrastructure (civil works) projects. The study then evaluates the possible risk responses that are done to mitigate the various risk factors that were identified. I addition the research also established the barriers to risk management implementation with lastly mapping out as where the identified risk factors fall on which stage of the project and then also map out the knowledge areas that need to be worked on the cases on Malawian construction industry in order to mitigate most of the identified risk factors. The study involved the interviewing the professionals from the construction industry in Malawi where insights and ideas were collected, analysed and interpreted. The key study findings show that risks related to clients group are perceived as most critical followed by the contractor related, consultant related and then external group related factors respectively where preventive measures are the most applied risk response technique where the aim to avoid most of the risk factors from happening. Most of the risk factors identified were internal risks and in managerial category which suggested that risk planning was to be emphasized at pre-contract stage to minimize these risks since a bigger percentage of the risk factors were mapped out at implementation stage. Furthermore, barriers to risk management were identified and the key barriers were lack of awareness; lack of knowledge; lack of formal policies in place; regarded as costly and limited time which resulted in proposing that regulating authorities to purposefully introduce intense training on risk management to make known of this new knowledge area. The study then recommends that organisation should formally implement risk management where policies should be introduced to enforce all parties to undertake this. Risk planning was regarded as paramount and this to be done from pre-contract phase so as to mitigate 80% of the risk factors. Finally, training should be done on all project management knowledge areas.

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