

CHAPTER 2 NAVIGATING VARIATIONS IN CONSTRUCTION PROJECTS

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2.1 PROLOGUE

Adam Haris, the Senior Project Manager of Empire Build Sdn. Bhd. (EBSB) just got back from Dubai, where he finished a project he was working on. Upon his return, he had been out on a short vacation, enjoying his holiday in the Maldives. While he was there, he received an urgent call from his CEO, Brian Lee, concerning the three-building speculative office complex with an extreme park, a project to revitalise unused urban areas by turning them into green spaces as well as to energise the local population by getting them involved in the process of the project's actualisation so that they feel a part of it. The three-building speculative office complex with an extreme park is one of the first of its kind. It is being carefully watched by stakeholders such as the local authorities, state government, and royalties.

The client Mahkota Land Sdn. Bhd. (MLSB) has been demanding the CEO of Empire Build Sdn. Bhd. (EBSB) to speed up things as the opening ceremony draws closer by the end of 2023. The park's opening ceremony will take place on December 31 and will be televised nationally. The project was proceeding without a hitch until the client

requested design changes. It is possible that the client may not be aware of all the implications of the changes they are asking for. As a first step, it is important to communicate clearly and openly with the client to understand their requirements and expectations. The project team should ask the client to explain their rationale behind the design changes and how they fit into the larger context of the project.

Based on the information gathered, the project team can evaluate the impact of the requested changes on the project timeline, budget, and other resources. If the changes are significant, it may be necessary to revise the project plan and budget and communicate any impacts to the client. It is also important to document any changes in scope or requirements in writing, with clear details about what is changing and why. This can help avoid misunderstandings or disputes later. Ultimately, the goal should be to work collaboratively with the client to find a solution that meets their needs while also staying within the project constraints. This may require compromise or negotiation, but open communication and a willingness to work together can help ensure a successful outcome.

Appreciating the fact that he has been entrusted with the responsibility of handling the decision-making due to his senior management position and extensive expertise working on complicated projects both locally and globally, he is now evaluating the situation and the possible decision to be made regarding this matter.

2.2 OVERCOMING DISPUTES AND DRIVING INNOVATION IN THE CONSTRUCTION INDUSTRY

The construction industry is well-known for its contentious environment, where conflicts and disputes among different parties are considered norm. These conflict and disputes negatively affect the cost and duration of construction projects, which are two of the three key constraints in the iron triangle of construction performance (Saseendran et al., 2020). Furthermore, there are challenges particularly repeated cost and time overruns, which are worsened by changes that arise during

the construction phases. These variations are among the most contentious issues in construction contracts. Modernising the industry with emerging technologies will reduce these variations and offer additional benefits (Noruwa et al., 2020).

Yet, if a construction contract is properly drafted and the intentions of both parties are communicated, these issues can be avoided (Asadi et al., 2023). In the absence of documents in writing, it is fairly difficult to trace the original intention of the parties. In this complex environment, participants from various professions, each have their own goals, and each expects to make the most of their own benefits (Abdul-Malak & Ezzeddine, 2023). Disputes are one of the main factors that prevent the successful completion of the construction project. Thus, it is important to be aware of the causes of disputes to complete the construction project in the desired time, budget, and quality (Do et al., 2023).

2.2.1 Industry Overview

The Malaysian economy is moving towards sustainable production, emphasising the construction sector. Some sectors, such as agriculture and services, have forward linkages. In contrast, other sectors, such as manufacturing and mining, are independent of construction sector causality, which signifies the behaviour of the contributing sectors when a recession occurs, hence generating significant revenue. The construction sector exerts an exceptional impact on economic development worldwide. Adequate buildings and infrastructures made by the construction sector ensure that a country reaches certain targets like social development, industrialisation, freight transportation, sustainable development, and urbanisation.

Adam Haris had studied civil engineering and worked for several large construction companies before being scouted by Empire Build Sdn. Bhd. (EBSB) as senior project manager. Despite facing many challenges in the company's early years, Adam persevered and eventually secured several high-profile contracts, including the construction of a new airport and a major highway. These projects