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**IMPORTANT ROLE OF PROJECT MANAGER
IN REDUCING THE OCCURRENCE OF
VARIATION ORDER**

Dissertation submitted in partial fulfilment
of the requirement for the award of
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ABSTRACT

Variation Order (VO) is a general sensation in the building project. The variation order is modifications that function with cost, time, addition, deletion or revision results. There are four types related to the incidence of variation order which are client-related variation orders, consultant-related variation orders, contractor-related variation orders and other-related variation order. Besides that, miscommunications between the design team, lack of strategic planning and poor management are connected to many of the reasons. Hence, the Project Manager' roles are managing, motivating, organizing, recruitments, planning, controlling and coordinating. This research aims to examine the important role of the Project Manager in reducing the occurrence of the variation order in the construction industry. Furthermore, the objectives of this research to identify the causes of the incidence of variation order related to project management, to determine the important role of the Project Manager in influencing the occurrence of the variation order and to determine the perspective of the strategic planning for reducing the variation order. In order to achieve the objectives, the questionnaire had been distributed by using email and by hand according to the sample size of 122 selected Project Manager at construction companies in Peninsular Malaysia. However, only 80 feedback were received from respondents, resulting in a response rate of 65.57%. The data analysed by using SPSS version 26 to generate descriptive analysis. The result showed that the most causes of the incidence of variation order related to project management are design complexity. The important role of the Project Manager in influencing the occurrence of the variation order is communication between stakeholders and cooperation to avoid conflicts among contract documents. Finally, the best perspective of the strategic planning for reducing the variation order is a clear and thorough project brief to let all the partners clarify the project priorities and successfully reduced the variation order in the construction industry.

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CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE RESEARCH

The construction industry is dynamic and volatile in nature since each construction project would have its special situation and requirements and also includes a wide range of interrelated and simultaneous activities (Wambeke, Hsiang and Lui, 2011). The difficulty, ambiguity, long term and the participation of partners in the construction project continuous processes and relationships make this group of projects resistant to variations during their development. Due to various factors, it may still be appropriate to order variations even in the most thoughtfully designed project. Therefore, in construction contracts, standard practice gives the contractor the right to make changes in the job after the contract has been signed and during the construction period (Wambeke, Hsiang and Lui, 2011).

Some standard contract forms contain provisions where the client or his agent is in a position to give orders to the contractor to change the works specified in the contract. Mohammad et al. (2010) cited that this variation was specified in clause 11 of the PAM 1998 as an alteration or adjustment of the nature, standard or estimate of the works as shown in the drawings of the contract so as mentioned or related to in the bills of the contract. In addition, the largest variation order components are recognized labour, contractor, project, director and consultant-related variables.

The variation order is modifications that function with cost, time, addition, deletion or revision results (Aftab, 2014). This typically arises in construction between the building groups who would require a schedule change, and it is appropriate to postpone the completion deadline. There is no clear definition, according to Mohammad et al. (2010), of what constitutes a difference. Usually, a definition of