

UNIVERSITI TEKNOLOGI MARA

**FACTORS TO ENHANCE THE USE OF MEDIATION IN THE
MALAYSIAN CONSTRUCTION INDUSTRY**

SITI NURHAYATI BINTI HUSSIN

2013813904

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the degree of**

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Management**

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DECLARATION

I, Siti Nurhayati Hussin hereby, declare that the work in this research entitled “Factors to enhance the use of mediation in the Malaysian construction industry” was carried out in accordance with the regulation of Universiti Teknologi MARA. It is original and is the result of my own work unless otherwise indicated or acknowledged as referenced work. This research has not been submitted to any other academic institution or non academic institution for any other degree or qualification.

In the event that my dissertation be found to violet the conditions mentioned above, I voluntarily waive the right of conferment of any my degree be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA.


Name of candidate : Siti Nurhayati Hussin

Candidate I.D. No. : 2013813904

Programme : Master of Science (Integrated Construction Project Management)

Faculty : Architecture, Planning & Surveying

Thesis Title : Factors to enhance the use of mediation in the Malaysian construction industry

Signature : 

Date : January 2015

ABSTRACT

Disputes are inevitable elements in construction industry which must be solved within reasonable time; if not it may cause non compensable damages such as delays which may affect project performance. Thus, mediation as simple, rational, speedy and economical means of dispute resolution is needed. The practice of it has persistently being integrated as part of the construction industry; nevertheless the used of mediation is still at minimum level. This research aims to enhance the use of mediation in Malaysian construction industry by way of proposing factors to enhance the used of it. The objectives of the research are to explore the current development of mediation in construction industry; to determine the level of mediation being used in the settlement of disputes as well as to identify factors to enhance the use of mediation in construction industry. The research has adopted quantitative research method by way of questionnaire survey. The findings revealed that the current development of mediation in construction industry takes into place with the establishment of Alternative Disputes Resolution (ADR) institutions that related to mediation in Malaysia such as the Kuala Lumpur Regional Centre of Arbitration and Malaysian Mediation Centre (MMC), with functions to promote mediation as one of the options for the settlement of construction disputes under its rules and procedures. Continue with implementation in recent CIDB standard form of contract for building works edition 2000 and Agreement and conditions of PAM contract 2006. The enforcement of Mediation Act 2012 (Act 749) further develops and encourages toward active the implementation of mediation. Apart from that, various critical causes of dispute have been found and lack of registered mediation cases being observed due to perception that disputes become more complicated or even worse by participation of a third party. Thus, negotiation suggested as the most commonly method being used. Last but not least, raising awareness on advantages of mediation recommended as the most significant factors to enhance the use of mediation by. To conclude, construction industry can benefit from the mediation approach. Thus, the industry as a whole must collaborate and improve the adoption of mediation in Malaysian construction industry.

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