



## Critical Success Factors for Construction Projects: A Literature Review

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### Abstract

Project success factors have been very popular and lists of critical success factors have been identified but there is no general agreement. Studies on critical success factors are too generic and pose a question of applicability on a specific industry such as construction. Construction industry, by its nature, is a complex, project oriented, high risk, and competitive business. It is one of the major contributors to the national economy and has a multiple impact on a county. Construction project failures are increasingly reported around the globe and achieving success of construction projects is becoming extremely difficult in today's turbulent environment. According to heresy evidence, construction project failures are abundant in Sri Lanka as well.

With rapid changes happening in the construction industry, it is curious whether previous research findings have become obsolete and unable to reflect on the current position. It is agreed across literature that the study of project success and critical success factors are means to improve the effectiveness and efficiency of projects. Determining key success factors in different project context is a challenge and it is extremely important for the industry professionals and academics.

Therefore, this paper attempts to identify critical success factors through a literature review with special attention on project execution stage of construction projects. 34 success factors were identified from recent papers and 19 factors are repeated in 3 or more papers.





More research is needed on the relationship between critical human resource management factors and project success. Findings are instrumental for professionals and academics and will add to the construction project management body of knowledge.

**Keywords:** Construction industry, Critical success factors, Project management, Project success, Sri Lanka construction industry.

**JEL Classification:** M19

### Introduction

Enhancing project management capabilities improves the project management organizations and the industry. Though project management has a rich set of literature, the knowledge areas and its' concepts have been continuously evolving. The study of project success (PS) and critical success factors (CSFs) are considered to be a means to improve the effectiveness of projects (Yong & Mustaffa, 2012; Chan et al., 2004). Although lists of variables have been identified over a period of time by different researchers, there is no general agreement (Chan et al., 2004). On the other hand, with rapid changes that are taking in the construction industry, findings have become obsolete and unable to reflect on the current development in the industry (Yong & Mustaffa, 2012). In construction project context, a precise understanding of CSFs is a paramount need for an efficient and an effective achievement of PS. Therefore, this paper is aimed at critically reviewing literature on CSFs in construction project context with special attention to Sri Lanka and to identify research gaps to be addressed in the future.

The construction industry has multiple implications to many areas of any national economy. Contribution of construction industry to the national economy of Sri Lanka was USD 6882 million in 2013 and USD 8846 million in 2014 (USD 1 @ Rs. 130). The construction subsector grew significantly by 20.2 percent during 2014, in comparison to 14.4 percent growth during 2013 (Central Bank of Sri Lanka/Annual Report, 2014. p.51). The post-war era has increasingly stimulated and attracted the government's attention as well as private (both local and foreign) sectors to invest heavily on capital projects such as high-rise buildings, renovation of airports, ports, roads, highways, land reclamation, water and sanitation etc.

