An Overview of Crisis Management in Housing Project

Mr. Sandeep N.Patil¹, Prof. D.B.Desai², Prof. Dr.A.K.Gupta³
¹M.E. (Construction & Management) Part-II, Dr. J.J. Magdum college of Engineering, Jaysingpur. Maharashtra,India
²Associate Prof. and Head of Dept. Dr. J.J.Magdum college of Engineering, Jaysingpur. Maharashtra,India
³Professor & Principal I/C, Dr. J.J.Magdum college of Engineering, Jaysingpur. Maharashtra,India

Abstract: Crisis management in housing project is required for management system that includes clear roles and responsibilities and process related organizational requirements company-wide. The response shall include action in the following areas: Crisis prevention, crisis assessment, crisis handling and crisis termination. The aim of crisis management in housing projects to be well prepared for crisis, ensure a rapid and adequate response to the crisis, maintaining clear lines of reporting and communication in the event of crisis and agreeing rules for crisis termination.

Introduction

Management of projects carries a certain allure for individuals who shun routine, work-a-day life styles. The uncertainty associated with producing unique outputs implies that each day can bring new experiences. In this regard, for instance, discussed the fire fighting aspects of management associated with disruptions that threaten projects and crises that affect organisations. Recently, any incident that effectively delayed project Tasks, their nature and remedy.

Although the classical treatment of projects suggests that they can be well-planned in advance, there is plenty of room for unanticipated events to interfere with plans. In some cases, these events seem not to matter and thus are tolerated. The Construction project is to be delayed to the effect of the crisis. Thus, unanticipated events may quickly rise to the level of crises if they happen to lie on the critical path that determines the time for completion. Someone pays for overruns– either it is absorbed by the contractor, or is paid by the funding organisation as an overrun. To put things in perspective, the cost of infrastructural projects can be of the order of higher cost, conducted over a three-year time span.

As suggested by, crises seem inevitable in projects. Consequently, companies that deal in projects on an on-going basis thus must learn to deal with crises on a regular basis. It is these crises that are the concern of this project. Its specific purpose therefore is to review the nature of critical interruptions that have interfered with project progress of an international construction company and reflect upon their remedies. It is thought that this exposure will add to the projects-as-practice material for academics and, the normative literature that assists managers in dealing with crises, especially within construction organizations. The construction industry was selected for study because of its exposure. That is, virtually everyone can identify with its outputs and its tenure; basic, state construction historically dates to the pyramids. Its understanding is thus fundamental to understanding crises in projects.

Risk management continues to play an increasing role in modern construction Projects, dealing with financial issues, contractual issues on apportionment and operational issues such as health and safety. Crisis management, on the other hand has been widely regarded as a reactive process to deal with crises as they occur and there has been little research into construction crisis management. There is a very indistinct dividing line between risk and crisis in construction and, as a result, some approaches to risk management can be equally successfully applied in creating a proactive crisis management environment within construction organizations.

When an incident occurs during the construction phase of a project, can that incident be immediately labeled as an unexpected event or as the occurrence of a risk which had not been identified or properly assessed during the project planning stage? There will be varying opinions on the answer to that question and this variety will be an Expression of the breadth of interpretation which exists in respect of what type of incident constitutes a risk and when, if ever, does that risk translate into a crisis.
Definitions would suggest that the difference lies in two areas, the predictability and the potential outcome of the occurrence. A risk is an event which may or may not occur based upon an established probability level; in the event of such an occurrence, the outcome is substantially predictable. On the other hand, a crisis is an event which may or may not occur but without the benefits of probability underpinning (i.e. in the realms of uncertainty). In the event of a crisis occurring, lack of stability creates an incidence of time where the potential outcome is substantially unknown.

A clearly defined boundary between a risk and a crisis does not exist. Risks can easily translate into crises if the predicted outcome is incorrectly determined or assessed. Similarly, crises may be avoided at best, or minimized at worst, if the potential incident is firstly identified and secondly assessed as a potential risk with appropriate action taken. Perhaps the use of a scenario may be beneficial at this point.

Take the example of a list of contractors invited to tender for a commercial project in a city center location on a redevelopment site surrounded by other commercial property. The tender documents advise the contractors of the high incidence of existing services in the area and require the contractors to lease with the appropriate public utilities in the establishment of the nature and exact location of each service. The successful contractor commences work on the site and, during excavations, ruptures a large water main and damages the nearby electricity main. This causes considerable damage in the immediate area, serious surface water problems and loss of electricity to the neighboring premises (with substantial financial implications as a consequence). Does the above scenario represent a crisis or an un-assessed risk? Looking at the problem retrospectively, the occurrence was undoubtedly a crisis, in fact a substantial crisis. The next question to be addressed is to establish the cause or causes of the crisis, a process of debriefing and analysis, which should always occur in any organization following a crisis, in an effort to reduce the likelihood of repeat scenarios in the future. Again from a retrospective viewpoint, the crisis occurred because due diligence and care were not exercised in the recognition of the potential risk, as identified by the tender documents, and of the inadequate assessment, or no assessment of that risk. The occurrence may now be seen as an un-assessed risk. This example certainly suggests that a ‘grey area’ exists between crises and un-assessed risks. This type of ill-defined area fosters the development of varying opinions and perceptions by individuals and organizations.

Types of crisis

The traditional analysis of a crisis in construction and real estate is based on economic, legal/regulatory, institutional and political aspects. Social, cultural, ethical, psychological and educational aspects of crisis management receive less attention. To perform an integrated analysis of the life cycle of a crisis in the construction and real estate sectors, the cycle must be analysed in an integrated manner based on a system of criteria.[10]

Resources of crises management

There was no evidence in any company of permanent crisis management teams and little evidence of any corporate crisis management planning. Rather, crisis management was treated as a reactive activity and the assumption was made that in the event of a crisis, the organisation would be able to respond adequately with existing resources and that plans could be created “on-the-spot”. Crisis management planning was at best rudimentary, crisis plans taking the form of general informal procedures and “unwritten policies” incorporated into the main stream operating procedures of each company. The vast majority of managerial effort had been invested in the formulation of “company policies” for health and safety problems (46%) industrial relations disputes (40%) and IT failure (14%), rather than in detailed contingency plans.[6]

Effect of crises in construction progress

In addition to safety related occurrences, there are many possible crises in construction, ranging from serious pollution, financial difficulties, legal/contractual issues, labour relations matters (strikes, harassment, discrimination), structural difficulties and business practices to loss of central computer data or the death of a key member of an organization. Safety aspects are probably the best documented, as well as the most common, crises on projects and provide a model for dealing with other be learned from how these have been handled (or mishandled) in the past.

I have developed a generic matrix, identifying causes of crisis as internal/external to a project or organization, and Technical-Economic/Human-Social-Organizational systems as follows:

Cell one covers most industrial accidents (e.g. Bhopal, 3 Mile Island and Chernobyl). Cell two relates to hostile takeovers, macroeconomic forces etc. Cell three is associated with failures in internal social processes and systems, operator failures, psychopaths etc., and finally, cell four is related to sabotage, terrorism and product tampering crises
says that Planning for crisis prevention must begin with the assumption that any of the crises Shown in the chart above can affect the organization. They believe that an organization must evaluate the hazards of each product or process in their ‘business portfolio.’ This should lead to prioritizing the business for focussed crisis planning.\[^{3}\]

**Crises management planning**

The importance of a well-conceived crisis management plan cannot be overstated and it represents one of the defining characteristics of a crisis-prepared organisation. This has been illustrated many times, such as in the Occidental Piper Alpha disaster where appropriate operating manuals on how to interrupt a potentially catastrophic sequence of events were almost totally lacking. Having a preconceived plan that can be automatically implemented takes away some of the initial pressure and shock associated with the early phases of a crisis. This creates valuable “breathing space “within which people can calmly investigate the problem and agree on an appropriate response. The importance of a good start in crisis management cannot counts and the first few hours are particularly critical. This is especially true if external constituencies are involved because initial impressions play a disproportionately large role in shaping their judgments of competence and blame. If initial impressions are bad then an organisation will be judged guilty until proven innocent and in many instances this can intensify a crisis and accelerate its escalation.

Many organisations in high-risk industries have a permanent disaster committee that is responsible for championing the need for crisis management, identifying current preparedness and vulnerabilities, devising disaster plans, and coordinating people during a crisis. The membership of such committees is an important factor in determining their ability to do this, and they should consist of senior managers, managers from all functional departments, and external professionals who have experience of crisis management, public relations, the law, and physical and mental health issues. In particular, commitment from the top of an organisation is essential if the activities of a disaster committee are to be taken seriously and if they are to have a chance of success. The various aspects of these activities are discussed below.\[^{6}\]

**Objectives of the study**

The present study has the following objectives:

1. To study and understand the nature of crisis.
2. To study the impact of crisis on housing projects.
3. To identify the factors responsible for crisis in housing projects.
4. To suggest methods and/ or alternative ways to minimize the crisis.
5. To see the cost effect on housing projects for suggested methods or alternative ways.

A case of housing project will be taken to achieve above objectives.

**Method adopted for study**

For carrying out the proposed work, following methodology will be adopted for data collection and analysis.

1. Collection and study of literature pertaining to the dissertation work.
2. Visit different residential project and study the factors which creates crisis.
3. To study the impact of the different crisis on the progress of construction work.
4. Decide action plan to overcome a crisis. Implement the plan.

Study effectiveness of crisis management methodology.

**Conclusion**

From such study, some points are highlighted:

- Methods used to respond to both the reality and perception of crisis.
- Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.

**Post –crisis management**

After a crisis, a disaster committee should organise follow-up meetings so lessons can be learned and fed into subsequent crisis management efforts. Everyone affected by a crisis must be involved in this process. In addition to managing the learning process, the disaster committee should also turn its attention to the recovery. This can be a lengthy and sensitive process that is likely to be influenced by how well a crisis was managed. For example, it may involve delicate challenges such as conducting investigations into causes, mending damaged relationships, re-organizing the project program, settling on-going disputes and reassessing project requirements. At the same time, attention must be given to the long-term consequences of a crisis such as rectifying damage to the environment, or dealing with government or legal investigations. Clearly, the less effectively a crisis is managed, the more arduous is the recovery process.\[^{6}\]
Communication that occurs within the response phase of emergency-management scenarios.

References


