



# Crisis Management in Housing Project in Around Kolhapur City

S N.Patil<sup>1</sup>, A P. Mehendale<sup>2</sup>, D R. Patil<sup>3</sup>, P M. Patil<sup>4</sup>, M B. Patil<sup>5</sup>

Assistant Professor<sup>1, 2, 3, 4, 5</sup>

Department of civil Engineering<sup>1, 2, 3, 5</sup>, Department of Mechanical Engineering<sup>4</sup>  
Sanjay Ghodawat Polytechnic, Atigre, Kolhapur, Maharashtra, India

## Abstract:

Crisis management in a housing project is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public. Three elements are common to most definitions of crisis: (a) a threat to the organization, (b) the element of surprise, and (c) a short decision time argues that “crisis is a process of transformation where the old system can no longer be maintained.” Therefore the fourth defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident.

**Keyword:** crisis management, Housing project, stakeholders

## I. INTRODUCTION

Crisis management in a housing project is a situation-based 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 the crisis management is 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 a crisis and agreeing on rules for crisis termination. The techniques of crisis management include a number of consequent steps from the understanding of the influence of the crisis on the corporation to preventing, alleviating, and overcoming the different types of crisis; Crisis management consists of different aspects including

1. Methods used to respond to both the reality and perception of crisis.
2. Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.
3. Communication that occurs within the response phase of emergency management scenarios. The credibility and reputation of organizations are heavily influenced by the perception of their responses during crisis situations. The organization and communication involved in responding to a crisis in a timely fashion make for a challenge in businesses. There must be open and consistent communication throughout the hierarchy to contribute to a successful crisis- communication process. The Crisis is also a facet of risk management, although it is probably untrue to say that crisis management represents a failure of risk management since it will never be possible to totally mitigate the chances of catastrophes' occurring.

## Types of crisis

During the crisis management process, it is important to identify types of crises in that different crises necessitate the use of

different crisis management strategies, following are the types of crisis

1. Technological crises
2. Financial problem
3. Malevolence
4. Organizational Misdeeds
5. Workplace Violence
6. Rumors
7. Terrorist attacks/man-made disaster
8. Natural disaster
9. Labor issues

In the project of crisis management in a housing project, we selected 15 construction companies. These companies belong to the Housing project. In Kolhapur city, there are around 100 construction companies in Kolhapur city. It is not feasible to study all 100 construction companies. Therefore; the researcher has selected 15 construction companies in Kolhapur city to study crisis management in a Housing project. The selection of the companies is based on the project they handle. All of these selected companies work on big projects. Constructing more than 5-storey buildings. Prima-facie it seems that these are major factors which are affecting these construction companies. Most of these companies have met previously with the crisis in their housing projects. But as they were not ready with a solution and effective crisis management plans it has cost lacks rupees together apart from casualties. The present researcher believes that because of the ignorance towards crisis management there has been a tremendous loss to these companies. Therefore, in the present report, the researcher has tried to study in detail crisis management in a housing project in Kolhapur There has not been undertaken any significant study in this regard previously. To study the crisis management the researcher has chosen 15 factors which really affect & create a crisis in Housing projects. These factors have been selected based on previous literature available on crisis management. Five sub questions have been designed in each factor & prepared a comprehensive questionnaire which is circulated to the people concerned with the selected factor.

## II. LITERATURE REVIEW

### 1. 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.<sup>[13]</sup>

### 2. 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.<sup>[15]</sup>

### 3. 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.<sup>[12]</sup>

### 4. 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.<sup>[15]</sup>

### 4. 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.<sup>[15]</sup>

## III. OBJECTIVES OF THE STUDY

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

#### IV. METHOD ADOPTED FOR STUDY

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.

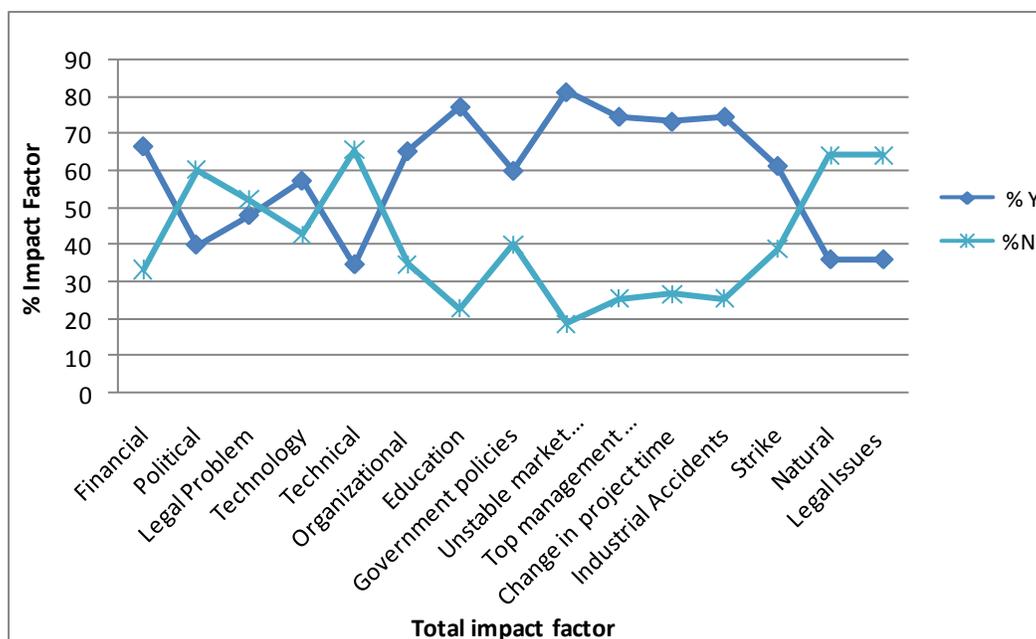
4. Decide action plan to overcome a crisis. Implement the plan. Study effectiveness of crisis management methodology.

#### V. FIELD STUDY

As stated in introduction the present researcher has selected 15 construction companies from Kolhapur city. A questionnaire regarding the crisis in the respective project was circulated amongst all the 15 construction companies. Refer following data and Fig. No.1, Fig. No.2, Fig. No.3 to conclude all results.

**Table.1. Analytical results of The Responses showing the impact factors in the Housing project**

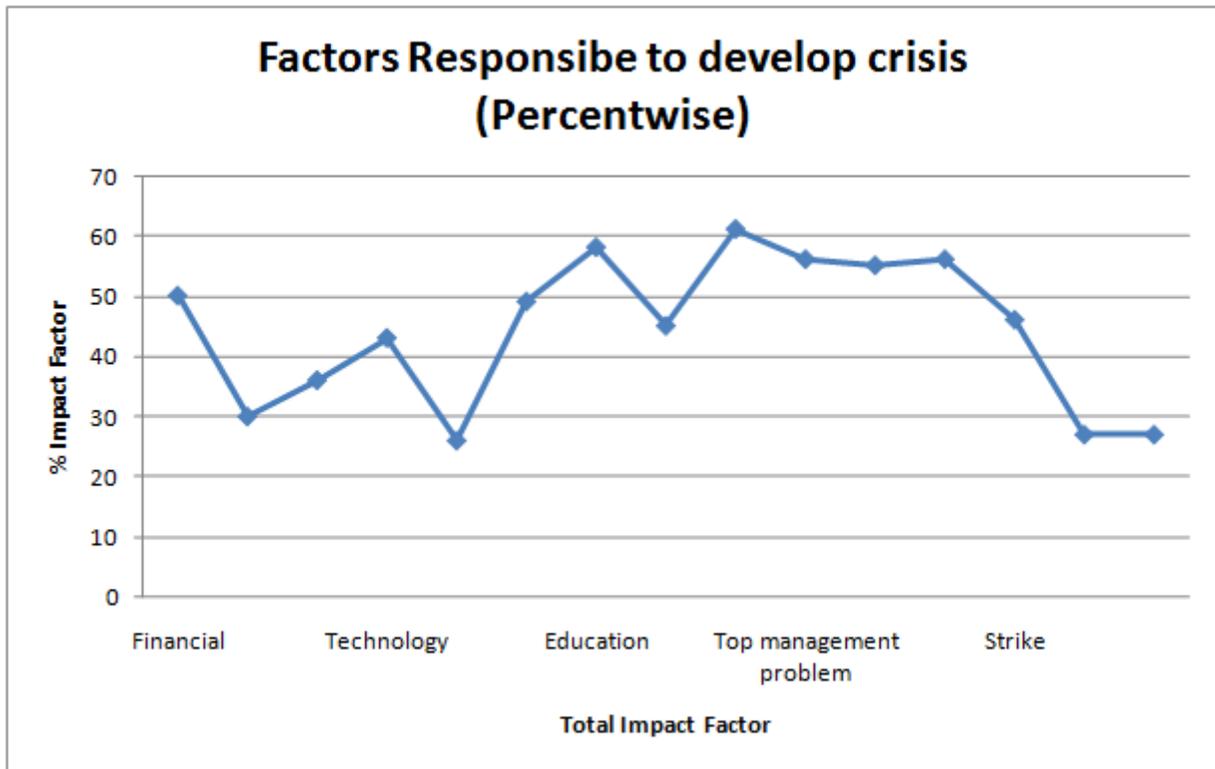
Sr No	Factors	% Y	%N
1	Financial	66.65	33.33
2	Political	39.99	60.01
3	Legal Problem	47.99	52.01
4	Technology	57.31	42.69
5	Technical	34.65	65.35
6	Organizational	65.31	34.69
7	Education	77.31	22.69
8	Government policies	59.98	40.02
9	Unstable market conditions	81.31	18.69
10	Top management problem	74.64	25.36
11	Change in project time	73.31	26.69
12	Industrial Accidents	74.64	25.36
13	Strike	61.31	38.69
14	Natural	35.99	64.01
15	Legal Issues	35.99	64.01



**Figure. 1. The Responses showing the impact factors in the Housing project**

**Table.2. Analytical results of Chart indicating factors responsible to develop crisis in selected construction companies**

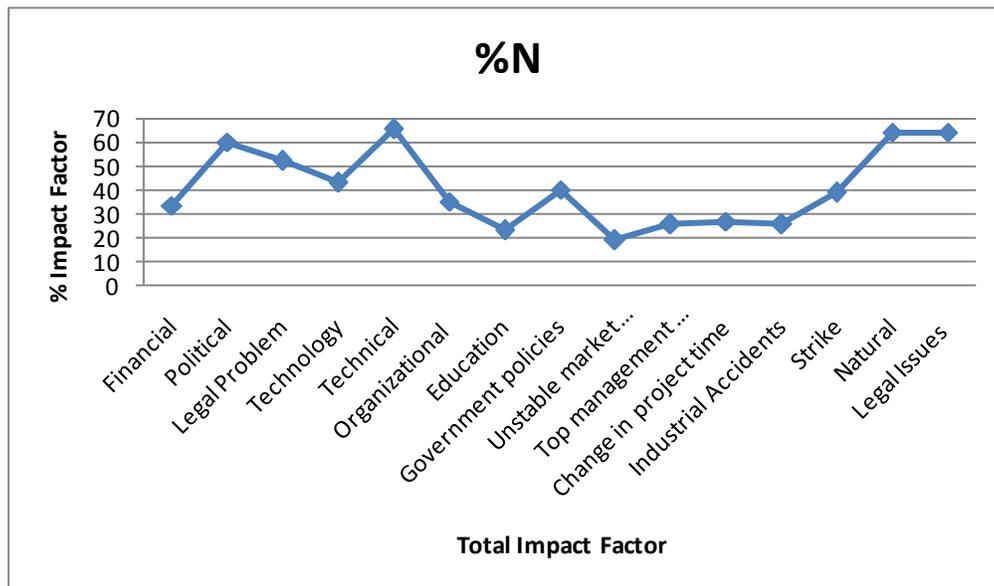
Sr No	Factors	% y
1	Financial	50
2	Political	30
3	Legal Problem	36
4	Technology	43
5	Technical	26
6	Organizational	49
7	Education	58
8	Government policies	45
9	Unstable market conditions	61
10	Top management problem	56
11	Change in project time	55
12	Industrial Accidents	56
13	Strike	46
14	Natural	27
15	Legal Issues	27



**Figure. 2. Chart indicating factors responsible to develop crisis in selected construction companies**

**Table.3. Analytical results of Chart indicating factors less responsible to develop crisis in selected construction companies**

Sr No	Factors	%N
1	Financial	33.33
2	Political	60.01
3	Legal Problem	52.01
4	Technology	42.69
5	Technical	65.35
6	Organizational	34.69
7	Education	22.69
8	Government policies	40.02
9	Unstable market conditions	18.69
10	Top management problem	25.36
11	Change in project time	26.69
12	Industrial Accidents	25.36
13	Strike	38.69
14	Natural	64.01
15	Legal Issues	64.01



**Figure.3. Chart indicating factors less responsible to develop crisis in selected construction companies**

## VI. CONCLUSION

The present study based on the analysis of different factors responsible for the crisis in housing project selected from Kolhapur city. The unstable market condition is influencing factors in creating a crisis in the selected construction companies, 81.99 % respondents believe that unstable market condition creates a crisis. Education affects housing project in creating a crisis, 77.31 % respondent believes lack of Education is responsible to create a crisis in their housing project only 26.69 % respondent did not agree with this, because of this education need to be improved to better serve the industry. Top management problem & Industrial accident generally create crisis this is also seen in the selected construction companies 74.64% respondents agreed that due to top management problem & Industrial accident create crisis in construction companies, Change in project time affect housing project in creating crisis,

73.31 % respondents believe that change in project time is responsible to create crisis in their housing project only 26.69 % respondents did not agree with this, Here this is also seen in the selected construction companies, that 65.65 % people respond that, the financial problem affects creating a crisis because these problems unbalance faces to workforce minimization, shortage of material, and change in project time etc. 65.31% & 61.31 respondents agreed that organizational and employee strike problem affect the construction project, Government policies affect housing project in creating crisis, 59.98% respondents believe that government policies are responsible to create crisis in their housing project only 40.02% respondents did not agree, with this because Construction industry encompasses a high complexity due to the involvement of many stakeholders, Likewise political 39.99 %, legal issues 47.99 %, technology 57.31%, Technical 34.65%, Natural 35.99% and Labors issue 35.99% are equally responsible to create crisis in the selected

construction companies The trends of the showing will be communicated to the selected company project and researcher would do more research on the project, to find out the solutions to minimize problem stated above that will be beneficial for construction work in around Kolhapur city.

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