

Managing Uncertainty: Crisis Response in Kolhapur City's Housing Developments

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Abstract:

The aim of this project report is to provide an in-depth analysis of the risk management strategies employed in "Housing Project in Kolhapur City." The project focuses on developing a residential complex with multiple housing units. The report outlines the identification, assessment, mitigation, and monitoring of potential risks that could impact the project's successful completion and overall objectives.

Keyword: Risk management, Housing project, Assessment, Mitigation

1.INTRODUCTION

Crisis management in a housing project is an essential system designed to address and handle various challenging situations that may arise, ensuring the safety and well-being of residents, protecting the reputation of the organization, and maintaining clear lines of communication. This comprehensive management approach involves distinct roles, responsibilities, and processes throughout the company.

The primary objective of crisis management is twofold: firstly, to be thoroughly prepared for potential crises, and secondly, to respond swiftly and effectively when faced with any crisis situation. By implementing well-defined strategies, crisis management seeks to prevent, assess, handle, and eventually terminate crises that may occur within the housing project.

The techniques employed in crisis management encompass a series of carefully planned steps. These steps encompass understanding the impact of crises on the housing project, taking preventive measures to avert potential crises, and effectively managing and overcoming various crisis types that may arise.

To effectively respond to both the real-world impact and public perception of a crisis, crisis management involves establishing clear metrics to identify scenarios that constitute a crisis and require immediate response mechanisms. This enables the housing project to take proactive measures promptly, thereby mitigating potential damages and preserving its credibility and reputation.

Communication plays a crucial role in the response phase of emergency management scenarios. The way an organization communicates during a crisis significantly influences public perception and the overall outcome. Successful crisis communication relies on open and consistent channels of communication throughout the hierarchy, ensuring that accurate and relevant information is disseminated promptly.

challenges effectively and minimize their impact. In summary, crisis management in a housing project is a systematic approach that emphasizes preparedness, rapid response, and effective communication. By proactively addressing potential crises and implementing well-defined strategies, housing projects can navigate through challenging situations while safeguarding their residents and organizational reputation.

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 lakhs of 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.

I. 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 analyzed in an integrated manner based on a system of criteria.^[13]

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 organization 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.^[15]

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.^[12]

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 organization. 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 be counted 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 organization will be judged guilty until proven innocent and in many instances this can intensify a crisis and accelerate its escalation. Many organizations 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 organization 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.^[15]

4. POST –CRISIS MANAGEMENT

After a crisis, a disaster committee should organize 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.^[15]

II. 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

III. 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.

IV. 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.2. Analytical results of Chart indicating factors 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

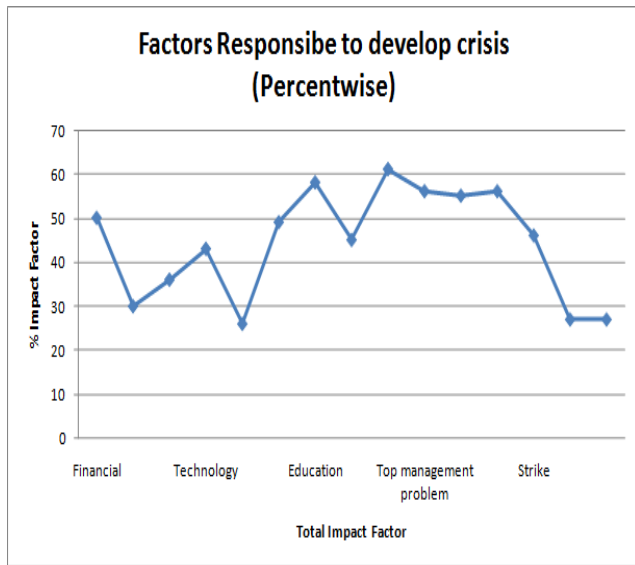


Figure. 2. Chart indicating factors responsible to develop crisis in selected construction companies

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

Sr No	Factors	% 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

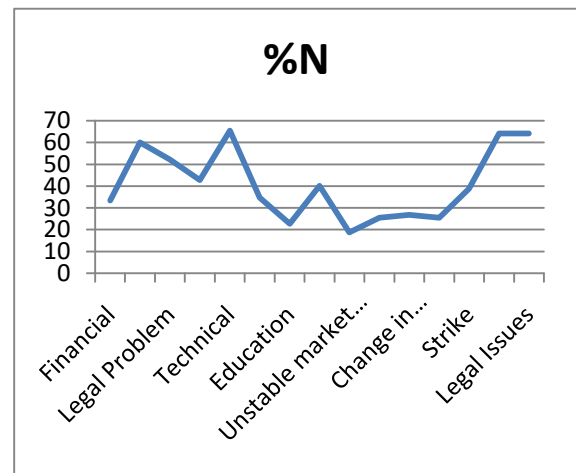


Figure.3. Chart indicating factors less responsible to develop crisis in selected construction Companies

V. CONCLUSION

The present study conducted an analysis of various factors responsible for the crisis in housing projects selected from Kolhapur city. The findings indicate that several factors contribute to the crisis in the selected construction companies.

- 1. Unstable Market Conditions:** The study reveals that the unstable market condition is a significant influencing factor responsible for creating a crisis in the construction companies. Approximately 81.99% of the respondents agreed that such market conditions lead to crises.
- 2. Education:** Lack of education is identified as another contributing factor to the crisis in housing projects. Around 77.31% of the respondents believe that the lack of education plays a role in creating a crisis in their housing projects.
- 3. Top Management Problems and Industrial Accidents:** The study highlights that top management problems and industrial accidents are also responsible for crises in construction companies. About 74.64% of the respondents agreed that these issues contribute to the crisis.
- 4. Change in Project Time:** The study indicates that changes in project time can lead to a crisis in housing projects. Approximately 73.31% of the respondents believe that such changes cause crises in their housing projects.
- 5. Financial Problems:** Financial problems are identified as a significant factor affecting the creation of a crisis. These problems lead to workforce minimization, shortage of materials, and changes in project timelines. Around 65.65% of respondents acknowledged the impact of financial issues on crises in the construction industry.

6. Organizational and Employee Strikes: The study found that organizational and employee strikes also affect construction projects and contribute to crises. 65.31% and 61.31% of respondents, respectively, agreed with this finding.

7. Government Policies: Government policies are considered a factor responsible for creating crises in housing projects. Approximately 59.98% of respondents believe that government policies lead to crises in their housing projects.

The study also indicates that various other factors, such as political issues (39.99%), legal issues (47.99%), technology (57.31%), technical challenges (34.65%), natural factors (35.99%), and labor issues (35.99%), are equally responsible for creating crises in the selected construction companies.

Based on the trends and findings, the study suggests that the selected construction companies should be informed about these factors to address the crisis in their projects effectively. Furthermore, the researchers plan to conduct more research to find solutions to minimize the problems identified above, which would be beneficial for construction work in and around Kolhapur city.

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