

# Element of Cost overrun and Delay in Construction: A Review

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**Abstract** - In many advanced and emerging countries, delays and cost overruns are common problems in the construction industry. Time and cost are the main elements of the completion of the project. And our country has a problem regarding cost and time overrun in the project. The main aim of this study is to assess the risk of various factors that cause time and cost overruns throughout the life cycle of the construction project. The objective of the study was achieved through a valid questionnaire. The study clarified which factor is more affected by the cost overrun and delay in construction projects by using the lower scale analysis and higher scale analysis. And they also give the ranking of the factors.

**Key Words:** Cost overrun, Time overrun, Factors, Construction project

## 1. INTRODUCTION

Changes are realities of the development cycle. They are given to answer recently created conditions. Broad and inadequately oversaw changes might adversely affect project time and cost exhibitions. Two significant issues confronting the development business are project deferrals and cost invades. In the present profoundly serious monetary climate, the requirement for finishing development projects inside the specified expense, time outline, and expected execution assumptions is turning out to be progressively significant. [1]

The advancement business accepts a vital occupation in the arrangement of any nation's wealth. Making economies approaches the underpinning of general endeavors. There are for the most part three segments in the advancement of business land improvement which consolidates private and business improvement; system building which joins roads, railways, control, etc.; and current improvement which contains oil and gas treatment facilities, pipelines, materials, etc. With the current emphasis on making an actual system, the enormous theory is organized in this part. The Planning Commission has assessed that theory needs in established to the tune of around 14,500 billion or US\$320 billion amid the 11th Five Year Plan period. The parts backing of Indian improvement Industry is the openness of trashy work, availability of qualified specialists, the immense number of advancement associations (just about 28,000 figured out associations and 75 gigantic contracting associations), serious lack of housing, help from the assembly, and advancement in the mechanical region. [2]

The improvements of the designs are bringing about the assessment of the development business to confront the difficulties in the advancement of the assets, cost, and time expected for the development project. The requirement for time is to conquer the issues related to the development of the board. The forthcoming common designs are more difficult to build than the antiquated ones. There are different gifted specialists expected to finish such ventures. The division of the work assists each group with focusing on a particular assignment at a time. It saves time as well as upgrades the nature of the work done. It helps in the genuine period culmination of the task and decreases the expense in question. [3]

### 1.1 Need of study

Time and cost are the main elements to the completion of the project and our country has problems regarding the cost and time overrun in the project so this study is important for analyzing the main causes of the time and cost overrun in construction management.

### 1.2 Objective of the study

Below are the study's objectives:

1. To identify the main factor causing delays and cost overrun in construction project and their impact on a construction project.

2. To undertake a questionnaire to investigate the existence and the reasons for time and cost overrun.
3. To provide the rank of factors with the help of the scale analysis method.

## 2. literature review

By studying literature reviews from various authors somewhere concluded which are follows:

### 2.1 Time overruns

**Aftab Hameed Memon et al. (2011)** It very well may be resolved that the results from this study are calmly like the disclosures of different examinations. PMC believes that workers for hire are liable for a time overwhelmed issues in a development project. To arrive at project consummation on schedule, workers for hire are essential to achieve their income and utilize their monetary assets all the more astoundingly. Additionally, powerful readiness and booking are generally required and the venture plan necessities to be modernized routinely and gifted staff is utilized so that undertaking can be overseen accurately and successfully. In light of the finish of the review, the creators suggest that workers for hire are required,

- To have a good income plan,
- Accomplish Financial assets
- Progress site the executives by recruiting talented staff
- Great preparation and booking is done,
- Plan to be refreshed more than once

The aftereffects of this study can assist with understanding the powerful factors that caused the time invasion and consequently, an opportunity to foster some framework to diminish the reasons for time overwhelm.[4]

**D.A.R. Dolage et al. (2013)** The exploration makes references overall and generally to every one of the gatherings for advocating factors causing time to overwhelm given well-qualified assessment. The references are made with regards to building development projects taken on by the DOES. As the administration frameworks and executing activities are comparable across all the public authority organizations in Sri Lanka, the proposals could be substantial with slight changes by other government foundations.[5]

**Mulenga Mukuka et al. (2015)** uncovered that there are different impacts of development projects plan invades. Time overwhelms (augmentation of time), cost invade, debates, intervention, suit, all-out relinquishment, and privileges were distinguished as the impacts of development plan invades from writing. From the poll overview acquired from the respondents, it was uncovered that deferral of time, cost overwhelms, loss of benefit, questions, low quality of work because of rushing the venture, make pressure on the customer, speed increase misfortunes, terrible standing with compression group, claims, and postponement in getting income by the customer where the best ten known impacts of development projects cost invade in Gauteng, South Africa. It is accordingly proposed that all individuals from development groups should be talented and instructed on time invades to minimalize this overwhelm.[6]

**Muhammad Akram Akhund1, Ali Raza Khoso et al. (2017)** The question of time invasion in development projects has been inevitable for a long time. Its belongings are various that it prompts delayed down the accomplishment of plans of any country. The improvement of time invades causes both specialized and task the board related variables. This advancement may likewise advance the impact of human perspectives, conduct, abilities, and mindset. Essentially, taking similar issues and challenges the defer network has been future from an alternate point as displayed in figure 2. The goal of this study is to give positive and negative elements which cause the time to overwhelm in development projects by the hypothetical structure for the impending review. Validate the meaning of the system it is fundamental to the unwavering quality and essentialness of the structure.[7]

**Nasir Shafiq et al. (2017)** The central issues of this exploration are to group the issues and factors that are tested by the workers for hire, experts, and customers because of the time overwhelm, inspect the reasons for such issues, and propose a few ideas for an impending exhibition in term of time effectively. Results from this exploration depend on the answer from the respondent which was formerly being spread during this examination. Additionally, toward the finish of this examination, the creator might want to underscore fun time usage control in development projects as it would

guarantee the productivity of a task. Given the examination is complete, improvements in many highlights should be thought of and checked routinely to guarantee the importance of time introduced in a development project. Defense methodology that can be applied are outside variables, for example, understaffing ought not to be an issue except if the organization recently applied to have all the more yet not yet accomplishment, they needed to have a decent arrangement to utilize and upgrade all the staff. Project chiefs ought to be seriously tolerating and capable. Capacity here is about addition to correspondence and thinking abilities. To be sure, we concur with individuals which have different foundations thus it is critical for that person to be adaptable and can deal with the assignments given.[8]

## 2.2 Cost Overrun

**Serdar Durdyev et al. (2012)** The principal study of venture the executive's experts, workers for hire, and proprietors/customers as talked about in this article connects with the development of private activities in Turkey. The study zeroed in on distinguishing and positioning arranged by significance, the fundamental variables causing cost overwhelms. 40 sub-factors have been recognized under 5 gatherings, which are macroeconomic, labor force, project finance, project the executives, and other outer elements. The principle finishes of the review are as per the following:

- The general positioning outcomes show that the three gatherings felt that the main factors that can cause exorbitant private tasks cost invades in Turkey are inappropriate preparation, off base venture cost assessment, the significant expense of required assets (cash, men, materials, and apparatus), absence of gifted labor force, cost of development materials and high land costs.
- Other sub-factors that arose as not vital, however of interest, are the absence of coordination, cost of the revamps, deficient term of the agreement time frame, absence of correspondence among gatherings, and poor location of the executives.
- The outcomes show that a large portion of the issues in private development projects are started from helpless assets on the board (human, specialized, and material).

The venture group/proprietors could be directed well in their endeavors to address the variables in a savvy way.[9]

**Ghaleb J. Sweis et al. (2013)** Cost is the fundamental piece of any development project. It is seen that cost overwhelm is one of the most often happening issues in development projects worldwide and it is more serious in non-industrial nations. In the same way, as in other emerging nations, the development business in Jordan is likewise impacted by the expense overwhelm. To decrease development costs, invade, the initial step is to recognize and investigate the main drivers and variables answerable for this issue. Hence, this paper expects to recognize the variables that play significant parts in influencing the ventures' expenses so these elements can be mitigated later on. Factors influencing cost overwhelm were distinguished from the writing and positioned by their needs. This study includes a poll study of 30 architects working in Jordanian development ventures and optional information from the Ministry of Housing and Public Works connecting with 57 significant public development projects. Consequences of the poll review showed that the plan changes, absence of involvement of undertaking type, and area were the principal factors influencing cost invasion. While given the auxiliary information the main considerations that cause the cost to overwhelm were administrative deferrals, extreme climate conditions, and configuration changes.[10]

**U.Sindhu Vaardini et al. (2016)** Cost overwhelms is one of the basic issues looked at in the development business. A venture might be viewed as an effective undertaking just when it is finished inside the planned expense. In light of the different writing audits different elements causing cost invasion can be distinguished. What's more with the proper strategy for information investigation, the main elements impacting the expense overwhelms can be broken down. In light of the audits, it was recognized that poor climatic conditions, ill-advised preparation, and planning, changes in the material rate, absence of appropriate site the executives, checking and controlling, ill-advised administration of assets in development tasks, and poor monetary control in the site can respect cost invades. Future investigations should be possible on various sorts of ventures like framework projects, water supply, modern, and other specific undertakings. Furthermore, different examinations should be possible to foresee the genuine expense of an undertaking given the critical postponed factors by building an expectation model.[11]

**Shaiful Amri Mansur et al. (2019)** There were 43 general variables distinguished from past examinations as the conceivable reasons for cost invasion in development projects. They were a gathering of work-related, material-related, hardware-related, and subcontractor-related variables. There were critical contrasts among the various parts of cost in the development business of China. The review showed that material expense is the most elevated part, which is trailed by gear, work, and subcontractor costs, individually. They range from 10% to 30% of the absolute expense. The investigation

likewise discovered that the normal top-ten expenses things as work, material, gear, and subcontractors are between 79% to 86% of every part cost. This exhibited the best ten expense things for each cost part are without a doubt the fundamental supporters of cost invade in development tasks of China when contrasted with different elements.[12]

**R Susanti et al. (2020)** concentrate on observed 15 variables causing cost to overwhelm in development projects for example site accessibility delay; site conditions; social site conditions; change request; adjust; subcontractors' or potentially merchants' exhibition; endorsement/grant delay; incorrectness in planning, booking and asset arranging; materials value variances; rules and guidelines; proprietor's extra prerequisites; expansion; delay in installment; feeble income and terrible climate. From the absolute 15 variables recognized, the two proprietors and workers for hire concurred that "Revise" was the most compelling element causing cost to invade development projects in Indonesia.[13]

### 2.3 Cost overrun and Delay

**Dr.Narayanan Sambu Potty et al. (2011)** The variables inciting Time deferrals and cost invade because of a few gatherings related to development are perceived and planned a survey to look at the rating and positioning of the element. The investigation of the poll overview will uncover discoveries that are fitting for industry professionals all through Malaysia. Fumble of undertaking from the three party's project worker, specialist, and proprietor boss to time and cost invades, Deficiency and need quality materials and proper hardware in the neighborhood market, no material vehicle plan prepared by the worker for hire, Delay in materials, drawing and proposition endorsements by the advisor and Evil climate conditions are the downside factors chose from the contextual analysis discoveries. This unbiased and commonsense outcome delivered will give readiness in the administration of hazard causing factors. Either to take it if inside the resilience or to be prepared with the right Risk reaction plan for the venture.[14]

**S. Shanmugapriya et al. (2013)** Time and cost overwhelm are a basic issue looked at by enormous development ventures in India. It results from different elements which had been known in this review. An aggregate of 70 examples was found substantial and inspected measurably utilizing the overall significance list strategy on 76 and 54 elements on schedule and cost invade. It was made that the five most critical variables causing time and cost invades in Indian development are material market rate, contract change, a significant degree of value prerequisite, project area, relies upon the freshers to bear the entire obligation for time overwhelms and high transportation cost, change in material detail, acceleration of material charge, the regular disappointment of development plants and gears, and reconsider for cost overwhelms. So, this demonstrates that a need for dire consideration is to be placed on these elements to stay away from time and cost invades.[15]

**Nabil Al-Hazim et al. (2015)** Most Road development projects in Jordan are ordered by deferral and invade in cost. Many records and last reports for certain, projects were inspected. The outcomes show that the greater part of the genuine elements is: Terrain conditions, climate conditions, variety of the request, and accessibility of work. An exceptionally huge irregularity among anticipated and finishing up costs going from 101% to 600% with a normal of 214%. Then again, the defer time goes from 125% to 455% with a normal of 226%. To sanction these discoveries, further exploration is proposed with projects from various topographical destinations and proprietors. In addition, it is prescribed that different elements ought to must be perceived that give to the development cost, and timetable overwhelms in broad daylight work projects.[16]

**Vaibhav Y Katre et al. (2016)** This study is coordinated to inspect the expense overwhelm in Palestinian structure development projects from specialists' perspective through a poll overview. The examination of the members' answers uncovered that the expense invade in building development projects is a serious precarious. 100 percent of the respondents assigned that the normal expense overwhelm that they have talented is somewhere in the range of 10% and 30% of the undertaking's assessed cost Inputs of the specialists accentuate that the main five elements influencing cost invade in building development projects are: political circumstance, variety of costs of materials, level of hopefuls, cash trade, and financial inconstancy. There is great information steadiness and agreement between advisors on the cruelty and recurrence of the distinguished expense invade factors. It likewise shows that the members are exceptionally endorsed on the effect and recurrence of the top influencing factors. In light of the review discoveries, the accompanying focuses are prescribed to limit and control cost overwhelm in building development projects.

- Instructional classes and studios ought to be coordinated to advance the administrative abilities of undertaking members.
- Material costs and work rates ought to be modernized persistently.

- Enough time should be given for making practicality studies, arranging, planning, data documentation, and delicate accommodation. This stays away from or limits late varieties.
- Improvement installment should be paid on schedule.
- More correspondence and coordination between project members during all venture stages.
- Top administration should respond totally to political and natural changes through administrative and monetary systems.[17]

**Tabish et al. (2011)** has utilized GCC (General Conditions of Contract) 2005 Form CPWD (Central Public Works Department) 7/8 is used for the study as most of the projects in India are being executed using this form. In the first stage questionnaire, 50 clauses were used and respondents were asked to indicate how serious is the impact of these 50 contract clauses on the schedule performance criteria on a 0-3 scale. A total of 130 questionnaires were sent and about 38 responses were received. All the 50 clauses in the first stage were ranked according to their mean score. It is found that 16 clauses appear to have a medium impact on the schedule performance of a construction project and the rest 34 clauses have low or no impact on the schedule performance of construction. Further based on the result of the t-test for a value of 2.5 and alpha value of 0.01 the 16 clauses were classified into two categories having a low impact value of  $\mu 2.5$ . A total of five clauses cl-3, cl-7, cl-13, cl-14, and cl-38 emerged in the first category while the remaining 11 clauses were having an average impact. A graph is plotted of impact value of the contract clauses versus the frequency of cases affecting the schedule are plotted, the clusters were formed and they can be named as: (low frequency-no impact, low frequency-low impact, and so on). Finally, the author concluded Deviations, Measurements, and Escalation related clauses occupy the top ranking in terms of their effect on influencing the schedule performance of construction projects and the author has observed a high degree of agreement between the responses from employers organizations and contractors' organizations.[18]

#### 4. Case Study

##### **Surabattuni Murali, Sanjeet Kumar "Factors Affecting Overruns Construction Time and Cost: A case study".**

This work identifies the principal explanations behind time and cost invades in structure projects in light of the overview arranged, for the people who are working in the Shan-E Awadh project for ground mooring and the mandate on disclosure of the essential elements of venture schedule postponement and cost overwhelms. The fundamental decisions of the review are material administration, site conditions, untalented work/work strikes, project worker monetary troubles, machines, and device hardships. In each of the 81 elements, the previously mentioned five elements are the taking the higher rightness. Different variables were too pieces of inspiration to schedule deferrals and cost invades to the task, however not as much position of those over five elements. The outcome shows that a significant number of the issues in-ground securing projects regularly come from the execution of the undertaking; project execution necessities that control these sorts of variables to beat these invades, project the board techniques for arranging, coordinating, controlling, observing, the methodology is needed to carry out.[19]

##### **Chitranjan Kumar, chhavi Gupta "Study of Factors Causing Cost and Time Overrun in Construction Projects".**

It presents the significant ends drawn from the investigation of insight concerning the documentation and computation of variables influencing time and cost overwhelms in the design projects. The best five elements for cost invade in the list of positions coming from 57.55 percent-50.28 percent are locked in as the fundamental elements from the arithmetical outcomes. From the above outcomes, it is resolved that the primary elements are 'Progress and development of material value', 'Distinction in the venture by proprietor', 'High transportation cost', 'successive breakdown of the developing plant and gear, and 'modify because of mistakes all through development.[20]

**Table- 1:** Factors of Cost and Time overruns identified in different research papers

	Aftab Mem0n (2011)	Tabish (2011)	Gulebi sweis (2013)	D.A.R collage (2013)	Mulenga mutuka (2015)	Nabil al.Hazim (2015)	Vaibhav y.katre (2016)	Ali Raza (2017)	R. sushanti (2020)
Poor-site management	*		*				*		
Delay of payment						*			*
Low productivity of labor		*		*	*			*	
Poor material management		*				*			
Skilled labor shortage	*		*		*		*		
Price fluctuation				*		*			*
Poor economic condition			*				*		
Lack of client experience		*			*			*	
Change in scope	*					*			
Increase in quantity of work				*				*	
Weather condition		*			*		*		*

#### 4. CONCLUSION

Following are the conclusions from the review study:

1. India has the major problem of time and costs in the construction industry.
2. This study examines the key reasons for time and cost overruns in construction projects and finds the factors which affect the greatest to the construction by collection from the questionnaire survey and the rank of the features by using the lower scale analysis/higher scale analysis.
3. Some of the factors like weather conditions, terrain conditions, poor site management, etc. are the main elements affecting the project.

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