A Study of Conflicts in Building Projects in Faridabad

Sandeep Pahal1, R. P. Sharma2

1Research Scholar, Department of Management, Baba Mastnath University, Rohtak, India
2Dean & Head, Department of Management & Commerce, Baba Mastnath University, Rohtak, India

Abstract: The pursue objective of a client is building project to attain a successful project. It is not an easy task. Various factors involve reaching the pinnacle proper planning, design, budget, duration of time and management approaches play a vital role for successful project. This paper presents an overview on the effect of conflicts in building projects in Faridabad. The main goal of this paper is to overview the factors of conflict in construction industry. The study highlighted three types of conflict factors which are conflict factors due to behavioral problems, contractual problems and technical problems. Factors of conflict due to behavioral factors includes reluctant to check for constructability, clarity and completeness and poor communication among project team. Moreover, building activities consume various resources that by their nature are scarce. Therefore, it is important that building projects will do in the most efficient and economical manner. Therefore, it is important to understand conflicts that a project is likely to face in order to make provision in the project set up for their management and prevention. This study features within the field of project management. The study, therefore contributes to the research and practice communities, by addressing issues on which conflicts occur and their causes in building projects in Faridabad. Strategies and mechanisms for management and prevention of conflicts in building projects in Faridabad will propose. The results of the study provides additional knowledge will require by clients / financiers, project managers, architects, engineers, quantity surveyors, contractors and other stakeholders in the management of building projects.

Keywords: Conflicts, factor influencing the conflicts, Real estate, Building projects, Construction industry.

1. Introduction

The residential real estate markets in India have been dormant witnessed subdued transaction activity and restricted new supply, with the demonetization ahead impacting the market. The conflict that Faridabad real estate market has eclipsed other bazaars in the county will be verified with an overview of the home prices in Faridabad, a different chief centre in Delhi NCR. Property prices in the foremost places of the metropolis have exposed an admiration for the duration of this quarter. In some zone, through the prior quarter, land rates have shown an appreciation of an average of 5% to 8% over the matching period the prior year. These trends explain that the approval rate of Faridabad properties is beyond those of these places.

The conflict is essential for individuals, teams, contractual relations and organizations. It is inevitable in most construction projects given their unique and complex nature and the presence of different parties and multifunctional teams. The construction project environment, therefore, is an appropriate environment for conflict exploration and management (Ellis & Baiden 2007). Disputes on the construction site are common. Disputes and disputes will arise when you have multiple parties such as general contractors, owners, architects and subcontractors who work together to complete the project. These stakeholders have different opinions and interpretations on how things are done. The concept of conflict, in its various implications, has been the subject of many important studies over the years (Akinwumi, 2006; Omotola, 2007; Onwuzuruigbo, 2012). However, the phenomenon of conflict within projects has not received sufficient scientific attention. While such disputes usually receive the attention of business owners, there is a glaring scarcity of scientific interpretations of this development. The problem is not new, as it is deeply rooted in the country's depth, as well as the negative consequences associated with it, including loss of life and property, deteriorating economic levels, and threats to development stability (EA Ajayi, 2008). It is therefore necessary to examine this issue with the aim of building a more precise set of knowledge about these conflicts for future prevention. Conflict is widespread across the continent and is manifested in various forms and forms. Conflicts in some places are manifested in sharp political struggles for power and leadership often lead to violence; in other countries scramble for limited geographical space, scarce national resources or shrinking national product (Mohiddin, 2000).

In addition, inflation rates appear to have maintained and bestow rates has started to come down. While recite property prices have yet to correct for the stick out in supply, discounts (both up front and wary) and unorthodox pricing schemes, such as possession-linked payment plans and subvention schemes, have expanded. Due to the influence of these factors, the Indian real estate market is starting to witness a substantial motion. What it used to take to occupy in this space is very different from what it will take in the future. In this scenario, it is believed that real estate developers must understand five fundamental dynamics in order to triumph. Each dynamic carries a specific implication for businesses.
• Emerging competitive forces giving rise to definite business models - New business models are swiftly evolving. Focusing on area acquisition and effective management of regulatory bodies is no longer adequate; developers must also focus on becoming strong local market in order to justifiable make a platform for sustainable growth. They are doing this by being more thoughtful about the operating models they use to compete in different marketplaces.

• Complex market and regulatory scenario - The new regulatory bill, integrate with region-specific regulations cover the country, means that real estate developer’s face top levels of scrutiny and huge convolution than ever before. To stay buoyant, businesses must actively manage risk through both internal and external processes.

• Transfer profit pools - There has been a significant shift in the Indian real estate market in the last 15 years. Costs of both land and raw material (primarily steel and ready-mix concrete) have accumulated. Raw material prices have thickening by a factor of 3 to 4 times since 2006. Land rates have increased even more dramatically. This means that while transaction numbers may have increased, developer margins are lower than before.

• Increase in customer awareness and prompt changes in customer supposition. Buying real estate is frequently the largest, most significant purchase people make in their lifetime. As such, customers have high degrees of involvement and investment in their decisions. There is greater prominence than ever on word-of-mouth information, including online reviews. Currently, Indian residential real estate developers don’t have a customer mental attitude. This has resulted in poor advocacy, with few customers saying they would recommend a developer’s projects to a friend or colleague.

• Innovative selling approaches and channels. As inventory levels remain highest, selling properties has become progressively challenging, particularly in the post-launch phase. Once developers have their internal processes in order, they must turn their aim outward.

2. Review of Literature

Hilary, G. and Hsu, C. (2011) this study examines how overconfidence affects the properties of management forecasts. Using both the ‘over-optimism’ and ‘miscalibration’ dimensions of overconfidence to generate our predictions, we examine three research questions.

Lambert, J., Bessière, V. and N’Goala, G. (2012) gave study on empirical research documents that overconfidence has a strong impact on investment decision. In this experimental study using a within-subject design and an asset allocation problem.

Calomiris, Longhofer, & William, (2012) consider the role of omitted variables suggested by economic theory that have been absent in a number of prior studies. Our estimates take into account age composition and wealth distribution (using poverty rates as a proxy), as well as wealth shares (how much of total wealth is comprised of housing vs. stock wealth). We exploit cross-state variation in housing, stock wealth and other variables in a newly assembled panel data set and find that the impact of housing on consumer spending depends crucially on age composition, poverty rates, and the housing wealth share. In particular, young people who are more likely to be credit-constrained, and older homeowners, likely to be “trading down” on their housing stock, experience the largest housing wealth effects, as suggested by theory.

Schaffer, 2013 The aim of this study is to identify the major risks faced by the semi-skilled labourers on building sites in Gauteng and make recommendations to mitigate the adverse impact thereof.

Hui, E.C., Zheng, X. and Wang, H. (2013) since the seminal work of Charnes, Cooper, and Rhodes in DEA, there has been an “exponential” growth in the number of journal articles in recent four decades (1978e2016). Until end of 2016, the total number of journal articles reaches 10,300 and the distinct authors reach 11,975 in total. Based on the statistics of journal articles.

Salzman, D. A. and Zwinkels, R.C.J. (2013) All over the world there is a strong infatuation towards real estate. Nevertheless there seems to be a (sub) conscious omission in incorporating this stylized fact into the academic literature.

Breuer, W., Riesener, M. and Salzmann, A.J. (2014) Despite a considerable premium on equity with respect to risk free assets, many households do not own stocks. We ask why the prevalence of stockholding is so limited.

Deng, Y. and Wu, J. (2014) gave study the government has been trying to facilitate the green building development by the market mechanism. Based on the data of Chinese listed real estate enterprises and a survey, we provide preliminary evidence about the determinants of green housing supply and demand.

Magron, C. (2014) Investors around the world often fail to succeed in the stock market due to shortcomings in their personal attributes and approach to investment. There are numerous studies on the personal attribute of the investor but only few studies have looked into the approaches to investment in market situations.

Revelli, C. and Viviani, J.-L. (2015) With a meta-analysis of 85 studies and 190 experiments, the authors test the relationship between socially responsible investing (SRI) and financial performance to determine whether including corporate social responsibility and ethical concerns in portfolio management is more profitable than conventional investment policies. The study also analyses the influence of researcher methodologies with respect to several dimensions of SRI (markets, financial performance measures, investment horizons, SRI thematic
appreciates, family investments and journal impact) on the effects identified.

Eichholtz, P. and Yönder, E. (2015) gave study the effects of overconfidence on trading activity and performance in real estate. The article looks at Real Estate Investment Trusts (REITs), as their investments and divestments can be identified with precision. We look at the effect of CEO overconfidence on investment activity and separately investigate property acquisitions and dispositions.

Daniel, K. and Hirschleifer, D. (2015) gave study two principal factors have contributed to this evolution: a body of evidence showing how psychological bias affects the behavior of economic actors; and an accumulation of evidence that is hard to reconcile with fully rational models of security market trading volumes and returns. In particular, asset markets exhibit trading volumes that are high, with individuals and asset managers trading aggressively, even when such trading results in high risk and low net returns.

3. Methodology

A systematic procedure and methodology is required to conduct a research in a prosperous manner. This section of the study expresses the methodology and procedure used to conduct this research. This section highlights the objectives and procedure of this study. Further, this section discusses the adopted research methodology for achieving the objectives of the study. Properly conducted research always reduces the uncertainty level for making critical decisions and gives the best result. That is why it is extremely very important to describe the research methodology here. Type of research is based on the nature of data. In the bright of the nature of data, the current research is notable of a quantitative nature, as most of the scou...
The average in Differing Site Condition is 55.55. Only one respondent gave the very high scale to Design Error category. All other gave the moderate and high scale. In Contractual Claim category only one respondent gave very low scale. Most of the respondents gave low and moderate scale. In Delay in Payments category only one respondent gave very low scale. In the Differing Site Condition category only one respondent gave high scale in this category. In the Cultural Differences only one respondent said high scale in this category.

Discussion: In above table 2, the conflicts in building projects in various aspects are as under.

The average in Design Error is 54.45. The average in Contractual Claim is 64.44. The average in Delay in Payments is 60.56. The average in Differing Site Condition is 46.11.

The average in Cultural Differences is 31.67. Only two respondents gave the very high scale to Design Error category. All others gave the low and moderate scale. In Contractual Claim category only two respondents gave very low scale. Most of the respondents gave low and moderate scale. In Delay in Payments category only three respondents told very low scale. In the Differing Site Condition category only two respondents gave very low scale. In the Cultural Differences only two respondents said high scale in this category.

Discussion: In above table 3, the conflicts in building projects in various aspects are as under.

The average in Design Error is 46.25. The average in Contractual Claim is 45. The average in Delay in Payments is 35. The average in Differing Site Condition is 46.25. The average in Cultural Differences is 46.25.

Only three respondents said the very high scale to Design Error category. All others told the moderate and high scale. In Contractual Claim category only one respondent gave very low scale. Most of the respondents gave low and moderate scale. In Delay in Payments category only three respondents told very low scale. In the Differing Site Condition category only one respondent gave high scale. In the Cultural Differences only one respondent said high scale in this category.

Discussion: In above table 4, the conflicts in building projects in various aspects are as under.

The average in Design Error is 47.86. The average in Contractual Claim is 57.14. The average in Delay in Payments is 55.14. The average in Differing Site Condition is 35. The average in Cultural Differences is 42.86. Only two respondents gave the high scale to Design Error category. All others said the low and moderate scale. In Contractual Claim category only two respondents gave very high scale. Most of the respondents told low and moderate scale. In Delay in Payments category only two respondents gave low scale. In the Differing Site Condition category only two respondents gave very low scale. In the Cultural Differences only two respondents said high scale in this category.

Discussion: In above table 5, the conflicts in building projects in various aspects are as under.

The average in Design Error is 51.42. The average in Contractual Claim is 40. The average in Delay in Payments is 48.57. The average in Differing Site Condition is 22.14. The average in Cultural Differences is 55.71. Only one respondent gave the low scale to Design Error category. All others gave the moderate and high scale.
category. All others told the moderate and high scale. In Contractual Claim category only three respondents gave moderate scale. Most of the respondents told low scale. In Delay in Payments category only one respondent gave high scale. In the Differing Site Condition category only one respondent told moderate scale. In the Cultural Differences only one respondent said very high scale in this category.

Discussion: In above table 6, the conflicts in building projects in various aspects are as under.
The average in Design Error is 59.16.
The average in Contractual Claim is 58.33.
The average in Delay in Payments is 75.83.
The average in Differing Site Condition is 22.5.
The average in Cultural Differences is 66.66.

Only one respondent said the very high scale to Design Error category. All others told the moderate and high scale. In Contractual Claim category only one respondent gave high scale. Most of the respondents told moderate scale. In Delay in Payments category only one respondent gave high scale. In the Differing Site Condition category only one respondent told moderate scale. In the Cultural Differences only one respondent told low scale. In the Cultural Differences only one respondent gave very high scale in this category.

5. Conclusion

According to clients the conflicts in building projects in Faridabad are caused cultural differences. According to civil engineers of Faridabad claimed that contractual claim is the main cause of conflicts in building projects and least affected by cultural differences and differing site condition. According to the builders of Faridabad delay in payments is the main cause of conflicts in building projects, but the builders of Faridabad consider the conflict in building project is least effected by differing site condition. Conflicts experienced due to incomplete design were those related to excessive variations and additional works beyond the client’s expectation and budget and differing site conditions since detailed site investigation was not done. This was reflected in conflicts related to excess variations caused by misunderstanding of the intended nature and scope of work between the client and the design team, different meanings of some work items due to unclear and ambiguous descriptions of work items, errors in project documents caused by negligence at tenders evaluation stage and excess prices quoted by the contractor for new additional items. The above conflicts emerged when the contractor submitted claims which were excessive and unrealistic, by that the contractor expressed opportunistic behavior.

References


