CHAPTER – 5

CONCLUSION & RECOMMENDATION
Abstract:

This chapter deals with the conclusion and recommendation on the research topic. Various risk factors and the results obtained from the research analysis are as mentioned.

The model in this research can refine the condition that evaluates the overall cost performance or the cost overrun in construction of a steel plant in India just by taking care of the top ten risk factors which were obtained through an in-depth research.
CHAPTER - 5
CONCLUSION & RECOMMENDATION

5.1 CONCLUSION:

The various risk factors and the results obtained from the research analysis are as mentioned below:

1. Poor Project Risk Management
2. Poor Site Supervision
3. Poor/ill-defined Scope
4. Poor Conflict resolution
5. Poor Project Time Management
6. Poor Procurement Management
7. Lack of Financial Resources

5.2 RECOMMENDATIONS

The model in this research can refine the condition that evaluates the overall cost performance or the cost overrun in construction of a steel plant in India just by taking care of the top ten risk factors which were obtained through an in-depth research.

Lack of Financial Resources is one of the most important factors. The projects which were nearly complete were also put on hold, due to lack of financial resources at this stage. This financial problem cause reducing productivity, increase absenteeism and affecting employer profitability. If the cost of a project exceeds the original budgeted estimated cost, construction work may have to delay until additional finance could be arranged. Claim for escalation/ idle charges may be filed for the same.

Poor Site Supervision can cause project delay and affect productivity. poor site supervision causes problem of cost overrun in construction projects. A contractor should
have ability to control the site worker so the project can run smoothly. Some of the contractor did not cooperation with their site staff due to lack of communicated. A lot of problem could be arising due to communication problem between contractor site staff or employer. Contractor and site staff should solve the problems by discussing with each other.

Most infrastructure projects are victims of change in project scope which often lead to project delays. Scope changes during project execution create lots of problems and conflicts which results in delay of project.

**Poor Project Time Management** is the most significant effect of cost overrun. The absence of any define time frame for project has an impact on subsequent project plans resulting in unaccounted delays in project delivery.

**Poor Project Risk Management** is one of the cause for cost overrun, project risk planning to be done at the conceptualization stage itself. Poor project risk management leads to inefficient project delivery.

**Poor Procurement Management** is one of the causes of cost overrun in the construction project. Sometimes the demand of construction material may exceed the supply of the local market. The progress of construction may delay if the site workers are ready but without materials. Thus, contractor needs to import these construction materials from oversea. These import construction materials are expensive and delay in delivery. These materials have been not estimate in the original cost and finally lead to cost overrun for the project.

**Poor Conflict resolution** during execution leads to cost overruns of project. The resolution through judiciary is generally a tedious, lengthy process and sometimes even takes several years to resolve. Conflicts during project construction stage have to be resolved immediately to avoid delays.
5.3 DIRECTIONS FOR FUTURE RESEARCH

This study may be beneficial to steel plant companies planning to put up a new steel plant, either green field of brown field, expansion of existing plant, regulators, policy makers, project management consultants, designers, etc. Further research in similar way can be carried out on other major projects like power plant, cement plant, fertilizer plants and other metallurgical industries like aluminum, copper etc., both in India and abroad.

Using other methodologies on the same topic could also be researched like qualitative research, case study, mixed research etc.

Most of the major variables affecting cost overrun on major projects have been considered, but some project specific and site specific variables, which some other researched feels having an impact small or large can be further researched.
SUMMARY:

Lack of Financial Resources is one of the most important factors. The projects which were nearly complete were also put on hold, due to lack of financial resources at this stage.

Poor Site Supervision can cause project delay and affect productivity. Poor site supervision causes problem of cost overrun in construction projects.

Most infrastructure projects are victims of change in project scope which often lead to project delays.

Poor Project Time Management is the most significant effect of cost overrun. The absence of any define time frame for project has an impact on subsequent project plans resulting in unaccounted delays in project delivery.

Poor Project Risk Management is one of the causes for cost overrun, project risk planning to be done at the conceptualization stage itself. Poor project risk management leads to inefficient project delivery.

Poor Procurement Management is one of the causes of cost overrun in the construction project. Sometimes the demand of construction material may exceed the supply of the local market. The progress of construction may delay if the site workers are ready but without materials.

Poor Conflict resolution during execution leads to cost overruns of project. Conflicts during project construction stage have to be resolved immediately to avoid delays.

This study may be beneficial to steel plant companies planning to put up a new steel plant, either green field or brown field, expansion of existing plant, regulators, policy makers, project management consultants, designers, etc.