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Human Resources Management in Construction

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Construction Management

Human Resource Management in The Construction Context

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Human Resource Management in The Construction Context

- No single theory of management exists and it is common for managers to view the individual components of management through isolation.
- The subsequent integrating of those divided parts in order to achieve better productivity.
- Human resource management (HRM) is explained in the context of the construction industry.

The Relationship Between HRM & External Environment

- The construction industry is responsible for the production of the built environment.
- It designs, manufactures, maintain, and demolishes all the man-made lives.
- Without human, there would be no built environment.
- There is a need for planning, organizing, forecasting, control and co-ordination for every stage of building.

Capital & HR: Fundamental Definitions for Management

- Human management is different than capital management .
- Although capital equipment may be complex, it does tend to be essentially consistent and dependable.
- Humans do not behave in a regimented or mechanistic manner, therefore create a number of difficulties that are not apparent in the management of plant and machinery.

- The major resource input to construction is human.
- It is important to understand of how it effect the managing of building process.
- Human behavior is governed by a unique kind of mental programming which arises from a combination of three broad sources of influence:

- **We can refer to these influences as:**
 - General
 - Genetic
 - Group influences
- **1. General influences:** *are those that affect all humans.*

- **2. Genetic influences:**
 - are those that we inherit through breeding and from our grandparents.
- **3. Group influences:**
 - is the most significant area of mental programming is that which drives from group influences.
 - Because we all have different life experiences, We will tend to view ourselves and our world differently.

- The behavior of human is individually conditioned by their history, surroundings, schooling, upbringing, financial position , social grouping, kind, the law etc..
- The human react to a variety of **motivation** that induce certain kinds of behavior and these motivation are the product of environment.

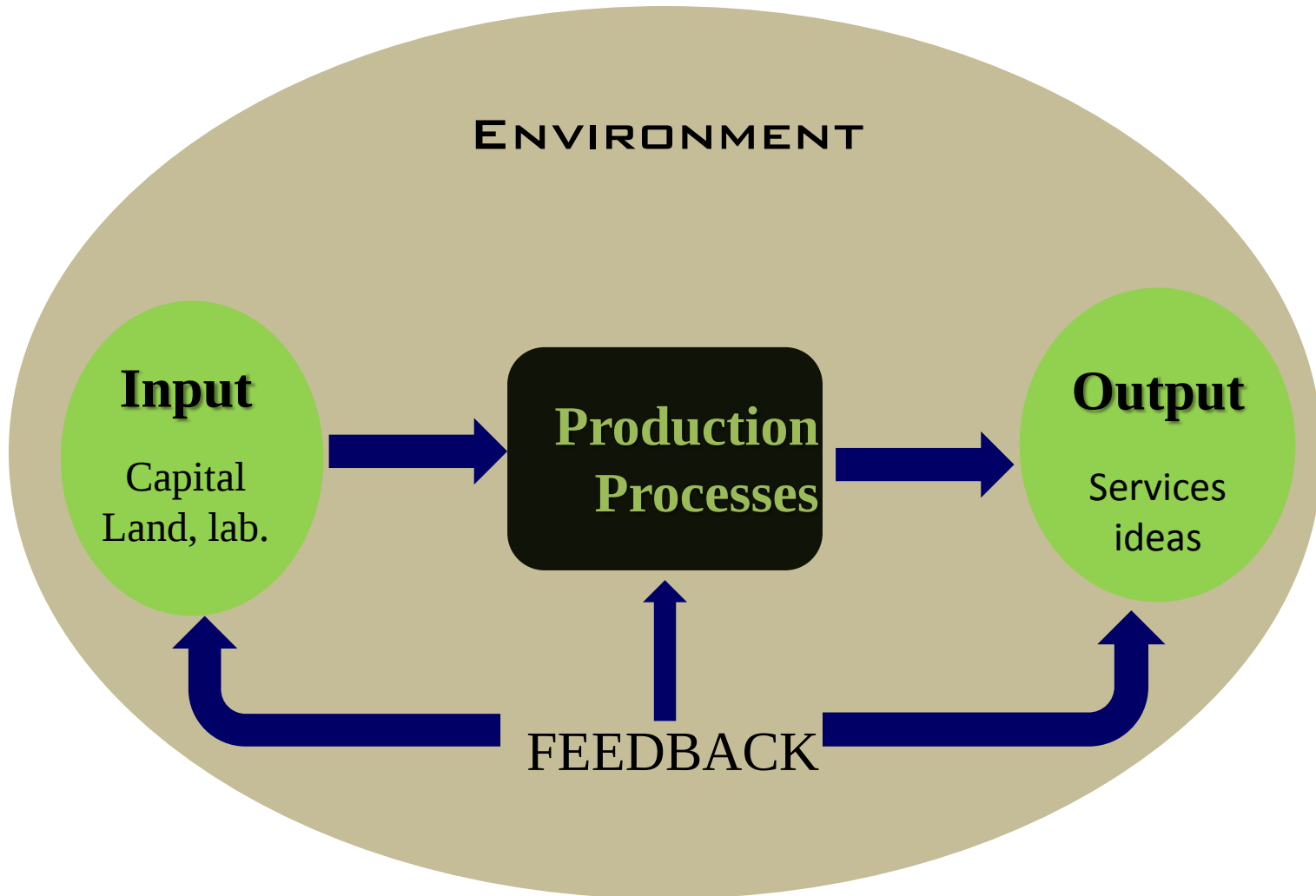
The System View

- Whilst human are affected by their environment, so their behavior have an influence on that environment.
- The theory used is “**System Theory**”.
- Understanding of the process of interaction between subject and environment has led to changes in the way that managers in all fields approach their task.

- Managers see the resource and outputs is completed building.
- Survival for the firm depends on its ability to interact with this external environment.

- **We can identify four general facet of environment:**
 - **1. economic,**
 - **2. social,**
 - **3. political,**
 - **4. technical.**

The system view



Four general facts of environment

Economic:
interest rates,
inflation,
unemployment,
competing **F1**

Social:
Attitudes of, client
employees, **F2**

Political: **F4**
Lows,
industrial
relation, H&s

Technical: **F3**
Availability
of materials,
market

A firms chances of success depend more on the ability of management to achieve an optimum degree of fit between the complex or conflicting..., and EX. ENV.

Effect of turbulence in envir.

- The construction industry is prone to economic fluctuation, as much construction work is labour-intensive.
- The case in the last twenty years, has been existence of turbulent, so the construction firms have to be more flexible and responsive.
- Certainly changes in the operating policies of construction industry can be seen in increasing use of sub contractor with new procurement system.

Environmental Scanning

- Human resource are one of the major input for the external environment.
- One means devised for purpose of increasing insights into the character and outcome of changes in the external environment is “environmental scanning”.
- Environmental scanning represents the starting point for planned pattern of objectives and policies that shape a firms present activity toward future superiority competitions.

How external envir. becomes part of internal envir.

*“Clients,
Producers,
Project-
based acts.”*

*“Consultants,
main
contractors,
Sub-contractor,
Materials
suppliers, local”*

*“Private
investment,
confidence,
Quality
standards, codes,
prospects
procedural
issues .”*

*“Education,
Legal matters,
Public policies,
Finance, H&S,
Research &
development.”*

The Project

The Firm

The firms
Envir.

National –
Economic
& Technical
Envir.

Combined Environmental Trends: Identifying and Analyzing

- Changes are brought about as a result of combined trends.
- It is necessary to take holistic view of the remarkably interconnected environment in order to get a meaningful picture that equips a firm meet the future environmental challenges.
- Scanning include the monitoring of publications /broadcast media, attendance at conferences.

- Typical of the areas that a firm would scan are
- **1. socio-economic**
- **2. Political**
- **3. Legal**
- **4. Demographic,**
- **5. Educational trends.**

Demographic changes

- Will effect the size of workforce as change occurs in birth and death rate, life expectancy, relocation.
- **Changes in education**
 - This is called macro-environmental trends
 - For success HRM, firms, have to consider the micro-economic.
 - More important is the competitive position in the industry

General Implication for Construction Firms

- Knowing when and how to scan is important.
- Should scan be an irregular, regular, or continuous.
- The answer depends in many factors (size, individual, circumstance, and environment) .
- Sure, continuous scanning is better.
- Small to medium size would prefer to perform irregular or regular basis.

- With scanning, the implications should be analyzed and integrated with the organization over all objectives
- **Analysis involves:**
 - Identification HR implication of environmental events.
 - Setting up HR objectives.



Human Recourse Management within Organization

- It is important to understand HRM within the context of organization.
- It is a system within the environmental supra-system concerned with the combination of org-structure, planning, and org-performance.

What is the Purpose of the Organization

- We have **private** organization and **public** organization.
- **The purpose of private** organization is to satisfy the effective demand to undertake for which they will be paid by clients.
- **Public sector:**
- the purpose is the fulfillment of the needs of individuals or the public at large as identified and funded by government.

What is the size of the organization

- **Small organization**
 - would have less than 200 employee.
- **Large ones**
 - over 1000
- **Vast majority of firms are small**

What is the Structure of Organization

- **Structure of the organization**
 - is seen as one of the influences of external environment on HRM.
- **Structure is a fairly loose in construction.**
- **Tall structure** with line managers **overseeing** a small group.
- **Flat structure** with a large number of employees reporting directly to the line managers.

- **Organizations** can be structured according to:
- **geographical area,**
- **product or function.**
- The project structure, team structure consist of members from different functional area.
- **The choice of structure depends on:**
 - Degree of formality
 - Level of supervision
 - Extent of centralized decision making.

What is the Role of Technology in Organization

- The effects of **technology** on the organization has a definite influence on both culture & structure.
- *There is a very little change in technology used in construction.*
- The component used “windows, precast concrete, doors, roofing, tiles” are results of high technology production.

- **Satisfaction of the employees** will depend on **subjective view** of an individual which may effected by the following factors:
 - 1. independence or freedom from direct supervision or control.
 - 2. challenge or difficulty affected by the task.
 - 3. diversity or heterogeneity of the work.

- **What is the philosophy underpinning the organization's culture ?**
- All organizations have diff. ideas, values and beliefs about this which be demonstrated in the amount of freedom accorded to individuals and in the types of personalities attracted to the organization .
- Only through an understanding of the particular organizational culture will the HR manager be able successfully perform his/her function

- **What effects will the employees and their jobs have ?**
- There should be a level of satisfaction that the employees gain from work
- **Three main factor of influence :**

1

Independence

2

Challenge

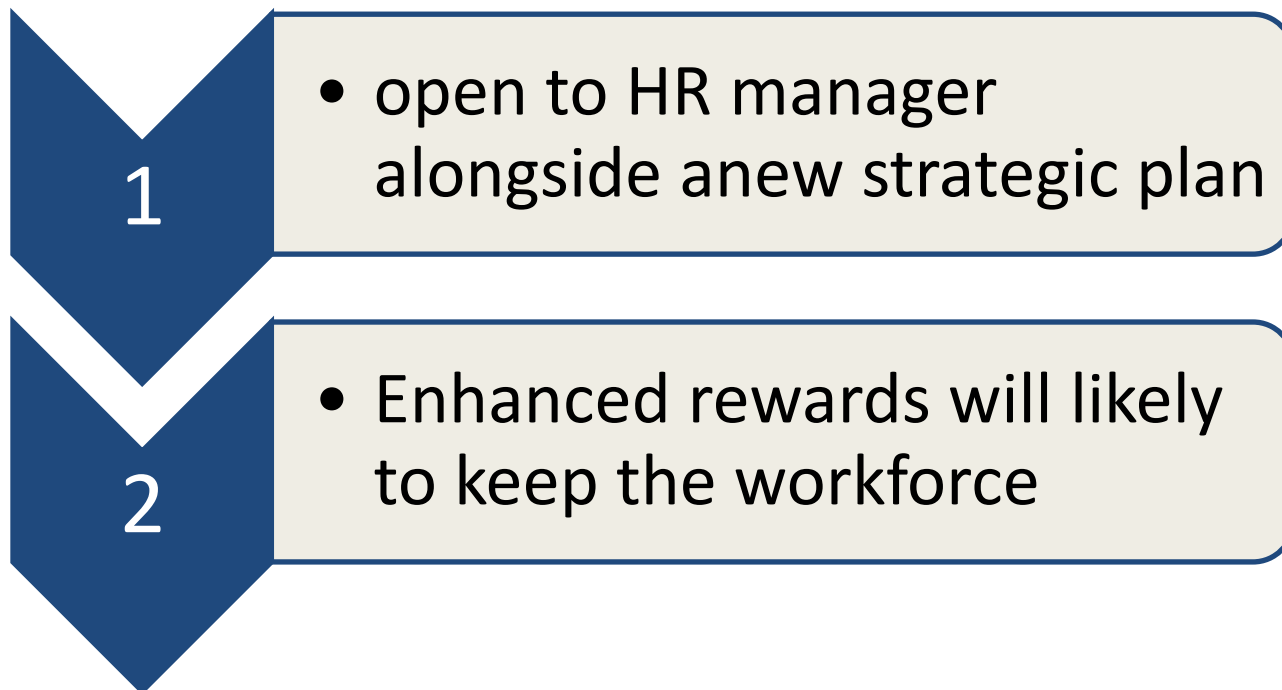
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Heterogeneity

- The success or failure of an organization will depend to a great extent on the ability of the HR manager to understand and control the multifarious problems and situations likely to arise from the interaction of the various job performance and employee characteristic components listed in the life-cycle of the organization

Transition to the stages of decline

- If the organization finds it self in decline there are only two options



- The head office “**finance, administration, estimating & planning**” functions are becoming ever more computerized.
- **Technology has made the human factor more important not less.**
- Changing technology require HR managers to give advices and lead the others in this regards.