Human Resources Management in Construction

Dr. Nabil I. El Sawalhi

Construction Management
Learning objectives

• After you have read this course, you should be able to:

• Identify four major HR challenges currently facing organizations and managers.

• List and define each of the seven major categories of HR activities.

• Identify the three different roles of HR management.
• Discuss why human resources can be a core competency for organizations.

• Explain how organizational culture and industry life-cycle stages affect HR strategies and activities.

• Discuss why external environmental scanning is an important part of HR planning and what factors must be considered.

• Discuss advantages and disadvantages of work teams.

• Summarize the process of evaluating HR performance.
Differentiate among diversity management, equal employment opportunity (EEO), and affirmative action.

Discuss why job analysis is changing as organizations change.

Explain how job analysis has both legal and behavioral aspects.

List and explain four job analysis methods.
• Specify the strategic decisions that must be made regarding recruiting.
• Compare internal and external sources of candidates.
• Define training and identify two types of training.
• List and discuss at least four training approaches.
Course Syllabus

• Human groups
• Relationships and industrial processes
• Procurement & Marketing
• Human recourse management in the context of construction
• The relationship between HRM and the external environment
• HRM within the organization & Constraint for HRM arising
• External issues affecting HRM
• Demographic changes
• Technological changes
• New work patterns
• Social values
• Organizational behavior
• The organization, Leadership & Motivation
• Industrial relation in construction
• The labor force, The employer & Future directions
• Interviewing for staff selection
• Management development
• People & information
• Women in construction
• Directions in human resources.
1. Human Recourse Management In Construction.

• Authors
  – D. Longford M.R. Hancock, R. Rellows & A. W. Gale

2. Human Recourse Management In Construction Projects: Strategic & Operational approaches
  -Martin Loosemore, Adrew Dainty & Helen Lingard
Marks

• Mid term Exam 25
• Attendance 5
• Research Paper work 15
• HW 5
• Final Exam 50
Introduction

• Mangers are concerned about the future as the future can be influenced, if not changed radically.
• Mangers makes decisions and effect changes.
• Construction is labor intensive industry.
• Common measure for labor are value of output (percentage of GDP relative to percentage working population)
Human groups

• Corporate activities remain subject to influences from individuals and sub-groups.

• The classification of human groups in construction is shown in Figure 1, which are:

• Clients (public/private, large/small, individuals/corporate).
Figure 1: HR main Groups

Client Group
Financier,

Consultant group
Architect, Engineer, surveyor

Contractors Group
Main contractor, subcontractor, suppliers, managers, operatives, etc

Performance - occupation & use

Disposal/transfer of ownership

Demolish

Feed back

brief

Construction documents
• Consultants (architects; engineers; surveyors)
• Contractors (building, civil engineering, main contractors, subcontractor management).
• Design and built contractor, operatives/managers
Clients

• The client is unlikely to be an individual.
• Corporate clients are complex organization which include many sub-groups.
• Within the client org there are vested interests some of which will seek to highlight the success of the project and others to opposing.

• **Clients are**
  1. experienced
  2. expert
  3. naive
• **Expert clients** drive the projects (know how to perform and achieve aims)

• **Naive (inexperienced) clients**, know little of the industry, influenced easily by others, affect by the first contact with them.
Consultants

• Consultants groups comprises architects, structure/civil engineer, QS, project manager, planners

• The interface problems between client and consultant are subject to the first contact (architects).

• Most of Clients do not know what information should be provided to designer as design brief.
General Tendencies

• About 80% of the cost of building was committed by around 20% of elapsed design time.

• Initial decisions tend to have the widest ranging effect.

• Designing from experience is likely to have a very much stronger input of avoiding repetition of failure than repeating successes.
General Consequences

- Consultants carry out functions sequentially.
- The input from consultants is discrete.
- The design period is protracted.
- Project finalization may be stockpiled.
• Such approaches facilitate consultant constant employment of resources.
• But design phase may enlarged.
• Long design period afford greater opportunity for iterative design development.
• **General Constraints**
  – Consultants seeks to be superior(allof) and separate from construction industry seeing themselves as artistic.
Contractors

• The general contractor provide the primary construction management for subcontractor.

• **Current tendencies**
  
  – Employment in construction operation has become more casual and fragmented.
  
  – The shift of contractor work to management role transferred the employment authorities to the sub-contractors and suppliers.
• For short term projects, still the contractors have the power to buy/bid the project at his free prices.
Government

• Government is the most important part in construction.
• It acts as direct client, as indirect client and as primary influencer of the business.

Impact of Privatization

• Governmental involvement has been diminished due to privatization as a mainstay of policy.
• The public sector was the client of 35%.
Impact on Trade Unions and Employment

- Growth of sub-contracting and self-employment has placed main contractor in a stronger bargaining position.
- Such enhanced power is subject to countering influence through the increased power of clients due to their increasing knowledge, sophistication, and experience.
- The result is more liquidations and bankruptcies.
Relationships and Industrial Process

• It is important to examine how people relate to each other and to the process and procedures adopted in the industry.

• Planning
  – Decision making is problematic.
  – Because they are related to people, involve the future, are connected with change & used imperfect information and knowledge.
• Prediction has inherent errors regardless the used tool.
• Construction relay more in the experience than tools to predict future.
• Slow progress made to utilize computer for prediction.
Centralized Decision Making

• The more sophistication of project procurement have resulted in encouraging the centralization of the decision making point.

• Standard procedures for resource management has not taken adequate account of client requirements.

• During procurement processes consideration to be given to non price items like good performance, image of company..etc
Quality

• **Quality assurance concept** used to develop procedures to ensure that they will provide, as quality, what is specified.

• Unfortunately, such system provide no assurance that appropriate quality is specified.

• **TQM seeks** to overcome the quality assurance more globally by considering what quality should be specified, that is specified and then achieved.
Management Tools

• The quality control was used to check the output

• The essence of achieving quality is:
  • to get things right first time,
  • avoiding waste and reworks, and
  • continues quality checks.

• “Just in Time” concept require ensuring that inputs arrive when required “no storage cost”
Risk

• Risk should be
  – Identified
  – Quantified
  – Allocated

• To the contractor only if the contractor is able to control those events.
Procurement

• It is important to regard procurement methods as a selection of sub-systems.

• The result is greater flexibility, individuality and suitability but with the requirement to evaluate alternative.

• Expert system can be used to assist the selection of procurement method as in figure 1.2.

• The decline in using traditional procurement is expected to continues.
Marketing

• The elimination of fee scales amongst consultants and reduced role of price in selection of contractor has exerted pressure on the industry to move from selling to marketing.

• Normally marketing has been originated to production industry.

• It has been common for marketing to take a system wide approach, requiring analysis of the supply environment and of the particularities of the item organization consulting and supply.
The Relevance of Supply to Marketing

• Functional performance of an item in marketing is Product, Price Promote, Place promotion,

• It seems that the more involved are clients personnel with a project, the greater is their satisfaction with the level of project performance achieved.
HR Management Challenges

• The environment faced by HR management is a challenging one;
• changes are occurring rapidly across a wide range of issues.
• A study by the Hudson Institute, entitled Workforce 2020, has highlighted some of the most important workforce issues:
• it appears that the most prevalent challenges facing HR management are as follows:
1. Economic and technological change
2. Workforce availability and quality concerns
3. Demographics and diversity issues
4. Organizational restructuring
Economic and Technological Change

• A major change is the shift of jobs from manufacturing and agriculture to service industries and telecommunications.

• This shift has meant that some organizations have had to reduce the number of employees, while others have had to attract and retain employees with different capabilities than previously were needed.
• Additionally, pressures from global competitors have forced many U.S. firms to
  • close facilities,
  • adapt their management practices, and
  • increase productivity and
  • decrease labor costs in order to become more competitive.

• Finally, the explosive growth of information technology, particularly that linked to the Internet, has forced many changes throughout organizations of all types.
Workforce Availability and Quality

• Significant workforce shortages exist due to an inadequate supply of workers with the skills needed to perform the jobs being added.

• News reports have regularly described tight labor markets with unemployment rates in some locales below 3%.

• Also, continuously there are reports by industries and companies facing shortages of qualified,
Demographics and Diversity

• It is more diverse racially,
• Women are in the labor force in much greater numbers than ever before, and
• the average age of the workforce is now considerably older than before.
• As a result of these demographic shifts, HR management in organizations has had to adapt to a more varied labor force both externally and internally.
• The three most prominent dimensions of the demographic shifts affecting organizations are highlighted next.
Organizational Restructuring

• Many organizations have restructured in the past few years in order to become more competitive.

• Also, mergers and acquisitions of firms in the same industries have been made to ensure global competitiveness.

• The “mega-mergers” in the banking, petroleum, and telecommunications industries have been very visible,

• but mergers and acquisitions of firms in many other industries have increased in recent years.
• As part of the organizational changes, many organizations have “right sized” either by
  – (1) eliminating layers of managers,
  – (2) closing facilities,
  – (3) merging with other organizations, or
  – (4) out placing workers. A common transformation has been to flatten organizations
The Development of Modern Organizational & Management Theory

• Modern Management thoughts remains a cocktail of different ideas
• It is difficult to identify a single solution to a particular problem
• It would be counter productive for Managers to attach themselves to one organizational theory that could solve all of their problems
• It is more appropriate to develop an understanding in them all within the social, economic, and political context.

• The influence of mass production on the early construction industry.
• Until industrial revaluation, the construction industry was essentially craft-based. And founded in simple tried and tested traditional technologies and production methods.

• Projects were produced in a fashion which is similar to today's design and build projects.
Industrial Revolution

- The industrial revolutions presented new production technologies & materials (large number of houses to accommodate the growing populations).
- This led to off-site fabrication, standardization, and modularization in building designs.
- Also lead to development of new technology such as cement mixers.
• Innovation in the science of materials such as steel & concrete led to the development of structural engineers and specialist sub contracting.

• The growth of construction professions such as architecture and QS

• This lead to the fragmentation of the industry which needs for management process to integrating disparate components into one cohesive team.