Human Resource Management in Construction: The challenges of managing people in construction

by

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Topics Covered

Human Resource Management

• The Construction Industry
• Image of the construction sector
• The industry’s resource situation
• Core challenges for the HRM function
• Employee relations
• Health, Safety and Welfare
• Summary
The Construction Industry

- Huge socio-economic significance (role in economic development)
- Remains one of the most people-reliant sectors
- Human resources represent the large majority of costs on most projects
- The industry employs an extremely diverse range of occupational cultures and backgrounds (unskilled, craft, managerial, professional and administrative)
- Thus, must improve its HRM performance before it can improve its overall efficiency, productivity and cost effectiveness.
The nature of the industry’s products and services

- Unique, one-off nature
- Their tendency to be awarded at short notice
- The reliance on a transient / temporary workforce
- Diversity
- Demanding clients
Image of the construction sector

• Changes in gender demographics

• Employees tend to work at other industries; offering good salary, working conditions, career opportunities and that are seen as being the most glamorous and attractive to work within.

Skills shortage + High workloads + Dissatisfied employees = High staff turnover!
Questions to consider...

• What are the key HRM challenges currently facing construction companies?

• What challenges does the construction project environment present that other sectors do not have to cope with?
Core challenges for the HRM function

• People related issues become a second priority to time, cost and quality targets
• Competing organisational and individual employee expectations, priorities and needs
• Balancing project and organisational requirements with human needs
• Avoiding employee dissatisfaction, reduced commitment, industrial conflict, turnover, accidents, recruitment problems and a continued poor public image
• To align HRM decisions with the overall strategic philosophy of the organisation
Core challenges for the HRM function

*HR is the key issue on the industry in fulfilling construction demand.*

• Thus, by managing communication is a key enabler of effective HRM
Employee relations

- The process of establishing and negotiating the terms and expectations of the employment relationship
- Collective agreements giving way to individually determined settlements
- Changing nature of the employment relationship
Health, Safety and Welfare

Why?

• H&S must be considered the highest priority for construction

• It remains one of every few sectors where occupational H&S performance is not improving year-on-year

• Employees must also bear some degree of responsibility for their own health and safety.
Summary

- HR is the key issue – central to the industry’s ability to respond to future construction demand

- The current construction industry is dynamic, complex and under-developed with regards its HRM practices

- Its structure, culture and working practices present a challenging environment within which to utilise effective HRM strategies and techniques

- The HRM function is undervalued and seen as an additional overhead/burden on many operating businesses
References and further reading

• Loosemore, M., Dainty ARJ and Lingard, H (2003) Managing People in Construction Projects; Strategic and Operational Approaches. E&FN Spon


• Fadhlin Abdullah (2004), Construction Industry and Economic Development: The Malaysian Scene, Penerbit UTM