

Human Resource Management in Construction:

The challenges of managing people in
construction

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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
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