

The Relationship between Management and Personal Management Competencies



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People are the heart of any organization and people need to interact between each other with a good understanding. (Naoum, Shamil, 2001) If the heart is not functioning very well, the organization will malfunction. This idea is confirmed by the following quotation.

“Managers know that people make the critical difference between success and failure. The effectiveness with which organizations manage, develop, motivate, involve and engage the willing (please check this quotation again.) to the contribution of the people who work in them is a key determinant of how well those organizations perform” (Patterson et al. 1997).

Every business or company cannot run without human resources because the latest technologies also rely on it. This subject is dynamic and it always develops by research and discoveries. Management science is changing according to time and also according to the environment. Therefore, understanding of people and information management theories are important to construction field due to the majority of usage of human resources and rapid construction.

This essay is divided into three parts as:

- why understanding of people and organizational management is important to the construction industry,
- how it helps to meet key challenges in the twenty first century and
- reflection on my own experience.

Principles of management are concepts of both sciences and art. (Marino, 2008). Five thousand years ago people started major managerial contributions to the modern management theory. But they did not use the term ‘Management’ till the industrial revolution. During the

nineteenth century and in the early twentieth century factory owners had to face problems in organizations and in the efficiency of operating machine. Because it was very difficult to schedule complex manufacturing operations and deal with the increasing labour dissatisfaction and the resulting strikes in the factory system. To respond to this condition, the evolution of modern management called “classical perspective” began. (Samson, Daft, 2003).

Classical perspective can be subdivided into scientific management, bureaucratic organization and administrative principles. Taylor, Frank & Lilian Gilberth and Henry Gantt are the main contributors to scientific management. Max Weber identified the key features of Bureaucratic organization and also Henry Fayol, Mary Parker Follet worked on administrative principles.

After the Second World War, management dressed with applied mathematics, statistics, and other quantitative techniques became a modern science. Then it was called ‘Management Science Perspective’.

The idea of “rational man” in scientific management changed to idea of the “social man” in the Humanistic perspective. It can also be subdivided into human relation movement, Human resources perspective and behavioral sciences approach.

Famous Hawthorne studies lead to human relation movement and theory X, Y, Z and hierarchy of needs, etc. developed in the human resources perspective.

System Theory and Contingency Theory are extensions of the Humanistic perspective. Total Quality Management too was added to the management journey in the modern world.

The latest focus on management is people and organization management. It developed since each work tends to be different and the organizations need different strategies to achieve each objective.

C. Handy suggested the relationship between management and organization theory by identifying the key variables which manager needs to struggle; i.e.

- People
- Work and structure
- System and procedures

And these variables cannot be dealt alone but within the limits of environment which Handy sees three crucial components.

- The goals of the organization
- The technology available
- The culture of the organization
(its values, benefits etc.)

To manage successfully there should be a balance between the above mentioned six factors within the particular period to reach the organization goals. Then contingency approach to the management is essential. (Cole,2004,p9)

Let's look at the important theories in people and organization management which will help to improve basic functions of the managers in quantity surveying profession. The quantity surveyor has two different stages in construction industry, i.e. Pre contract and Post contract work. To get the job and to run the job there are some procedures to follow. Those procedures are almost the same as an ordinary management function. The main functions are planning, organising, motivation, leadership, management style, co-ordination, communication and controlling.

Time is the main resource of management. Therefore time can be viewed as Management of time and time as a competitive weapon. Hence planning becomes the first function of management to discuss. Planning can be either the project, the finances or both. In QS practice, planning can be divided into pre and post contract stages. In pre contract stage it appears as Strategic planning and in post contract stage (i.e. construction) as operational planning. Most managers are in the operational level and

only commercial directors/managers are in the strategic level. But still commercial director/manager needs to coordinate with the operational level. The prime focus in strategy is effectiveness in the long term and the prime focus in the operational level is the efficiency in the short term. Therefore the terms effectiveness and efficiency describe the difference of those two levels. According to Mintzberg's mechanistic view of planning does not tell everything but it identifies the most important issues involved in the planning process. In our profession, the project is planned by using Gantt chart or modern software like MS Project or Primavera but all are mechanistic when it comes to the reality because the planning depends on other factors like recruitments, environmental, etc.

Now we have a plan and we need to organize the people according to it. Therefore organising is an important function for managers. Construction projects are varied as the nations and societies of the world. Especially in the middle east most of the people are from different nations. The cultures are affected by the events of the past and by the climate of the present, by the technology of the type of work, by their aims and the kind of people that work in them (Handy, 1993, p.180). Construction industry is a very competitive market. So that people who are working in that environment should also be competitive in knowledge and be effective in the implementation of people and organizational management. In this part of the world the span of control in structures is beyond the maximum range of normal circumstances due to the squeezing of employees. But according to theory the definite limit to the span of responsibility is that the average manager can competently control. According to Mintzberg model normally one falls to professional bureaucracy. Construction organizations are decentralized. When it comes to organization culture, Task culture (Handy, 1993) is mostly the adapted one here. Organizations gradually change their dominant cultures. The first signs of organizational maturity are when time and success lead to growth and to the specialization and formalization of activities. An individual success in one culture may not always be a success in another (Handy,1993,p.204). This kind of matters always appear in most of the organization charts due to the lack of understanding of management principles. When two cultures work together there must be an integration e.g. Mercedes M-Class sport utility vehicle case otherwise AOL and Time Warner in 2000. It is the largest annual loss in US corporate history. Here

most of the employees are expatriates and therefore to keep them together, the government implemented tough policy in their contracts.

Motivation is an essential part in the organization. If people are not motivated then the output will not be a good one. Maslow identified the hierarchy of needs to motivate and Herzberg's split the needs as hygiene factors and motivating factors. According to Herzberg, hygiene factors do not positively promote good health but only act to prevent ill health (Cole, 2006). The lack of motivation leads to unprofessionalism and irresponsibility of the work which affects the company's future.

Leadership is a dynamic process which will lead to achieve the goal/target. It can be divided into democratic and authoritarian processes. Nowadays most leaders are democratic. Trait theories are now out of way because Handy (1993) has proved that it is an impossible task to identify strong characters. In the Middle East multi national cultures are in one organization and therefore the leader needs to use System theory and apply the contingency approach. Within each organization the activities can be divided roughly into four sets: Steady state, Innovation, Breakdown & Policy. Each of these has its appropriate culture, structure and systems (Handy, 1993, p.209). So first leadership needs to understand what it needs apply.

Management style is the influences of all functions into one unit. According to Likert's analysis, participative group style is used in most of the times in our profession. Now in staff appraisal forms are setting targets for the employee to exercise discretion within his/her job. That is called in management theory as management by objectives.

Floet believed that managers would achieve goals partly through co-ordination and directing rather than controlling.

Communication among the group is the most powerful tool in management. In Q.S. profession there are lateral, upward and downward communications. And also it is open or free for all communication patterns. Because QS needs to look into technical information as well as contract administration. Mintzberg's five categories of information are used in our profession. QS needs to communicate with both internal and external personnel. Proper

communication is important in the construction industry between QS and project manager to avoid significant cost effective incidents like claims, variations, etc.

Appropriate controlling requires ensuring the system to achieve its objectives and to implement new objectives. Likewise the manager, who is a QS professional, needs to control his/her teams to produce good quality and customer satisfaction in reasonable time and value. So far we understand the people and organization management theory and practice in general. We may want to know how that understanding helps to overcome the twenty first century key challenges because we live in the early stage of that century.

In this century the construction field is facing five levels of uncertainties. First one is Industrial uncertainty. This occurs due to scarcity of resources, finance and disrupts the availability of stability of the flow and price resources. Six months ago in Dubai there was a scarcity of cement and steel. Due to that the construction costs increased and most of the construction firms claimed extra money from the client. But nowadays construction material as well as oil price is decreasing in the global market. At the same time most of the reputed companies are terminating their staff to response to global economic crisis. If I write this essay before this month my essay should address the scarcity of quantity surveyors and due to that their high salaries. Today it is in reverse because of the recession. There is scarcity of jobs in the market. It is the time to implement new theories to modern management.

Second one is the market uncertainty. A good example is the construction boom in the Middle East. Nowadays the developers are not funding the projects that they have already planned due to the uncertainty of the market. Before the recession they invested money and they created the boom. Because of this condition the construction industry is not stable.

Third is project uncertainty. Projects can be effected by the climatic, political and the site conditions. The people working in one project have different experience from the people in another project, and then they will solve problems in different ways.

Fourth one is workplace uncertainty. The construction industry is more complex and it contains macro and micro planning and also works in sequence. Due to the

complexity and differences in cultures it is very difficult to control the work force, therefore it should lead to uncertainty. To work out those things we need to have all direction communication. People are moving and there are thousands of memos, ad-hoc to track in document controlling; therefore there should be a proper way to manage documents. That's why most of the reputed companies are adopting Management Information System. It is a subfield of the Management Science Perspective. Joan Woodward and his team concluded establishing technology as a key role to be a major variable affecting the organization structure (Cole, 2006, p.85).

Last one is organizational uncertainty. People are the greatest asset in the construction companies (Carrillo et. Al., 2000). Therefore, the uncertainty depends on people. By using theories of Humanistic perspective, skilled people can be retained for a long time in one organization. In the Middle East lots of professionals change their jobs frequently due various reasons like salaries, working hours, etc. The majority of them are expatriate and their retention depends on the social reasons, political reasons and the exchange rate. Also nobody has an initial plan to stay a long duration here because they work on contract by contract basis. McGregor's theory of X and Y can apply to this situation but still it needs to be modified according to the uncertainty of the job.

The above described five situations can be identified as Turbulent Environment in modern Management. To response to this turbulent environment, Groak (1992) identifies the following solutions to be used in the organization environment.

- Restricting conditions like type of job, type of contract and client requirements
- Ignore potential problems that are uncertain like adverse climatic conditions
- Restricting solutions
- Acquire a multi-disciplinary range of sources

In general every business group has to overcome the following critical challenges in the environment. Those are globalization, profitability through growth, technology and sudden changes. If I give an example in Quantity Surveying, the QS in Dubai is handling projects which are in Oman or Qatar. This market is a global market and the policies in every country affects the economy. In this environment the important

contingencies that a manager can understand include industry, technology, the environment and international cultures. Management practice in QS is no longer stable because the construction industry is rapidly changing. The total quality management(TQM) is most suitable for QS because the QS needs to focus on the same significant elements which TQM is focusing. Those are employee involvement, focus on the customer, benchmarking and continuous improvement (daft et al. 2003).

Employer's should provide decent, safe and improved working environment and replace competition by clear measurement of performance and sustained improvements in quality and efficiency. Then employee will trust the organization and will try to protect it as on their own.

I live in the early twenty first century and many more things would die and many more things would be born as a result of usage of modern technology and modern thinking .Handy forecasts in his writings the idea of federalism, spliced careers, new pattern of planning as new challenges in future. And also he has given clues like communication revolution, fees in replace of wages, tools in replace of machineries and the economic quality.

Having discussed the understanding and application of theory one more thing to tell at last is that in this changing world everything will change every second but we can feel it after some years in retrospect only. So as professionals we must implement new ideas and reflect on our practice.

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The House considered claims by police officers who had suffered psychiatric injury after tending the victims of the Hillsborough tragedy.

Held: An employer has a duty to protect his employees from physical but not psychiatric harm unless there was also a physical injury. A rescuer, not himself exposed to physical risk by being involved in a rescue was a secondary victim, and as such not entitled to claim. Primary victims are 'victims who are imperilled or reasonably believe themselves to be imperilled by the defendant's negligence'. Lord Steyn: "(T)he law on the recovery of compensation for pure psychiatric harm is a patchwork quilt of distinctions which are difficult to justify ... In my view the only sensible general strategy for the courts is to say thus far and no further. The only prudent course is to treat the pragmatic categories as reflected in [case law] as settled for the time being, but by and large to leave any expansion or development in this corner of the law to Parliament. In reality there are no refined analytical tools which will enable the courts to draw lines by way of compromise solution in a way that is coherent and morally defensible. It must be left to Parliament to undertake the task of radical law reform."