

CHALLENGES FACED BY HUMAN RESOURCE MANAGEMENT IN CONSTRUCTION FIRMS

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ABSTRACT

Today the construction industry is the second largest employer of people after agriculture. It contributes about 8% to the GDP of the country. There are numerous problems faced by construction industry. Thus it is necessary to find the challenges faced by human resource management in construction firms, in India.

In this study, a qualitative survey - an interview based method was adopted with the construction firms/Builders in Pune region. The interviews focus on the challenges faced by these construction organisations.

KEYWORDS -construction firms, Human Resource Management, and qualitative survey.

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Planning - establishing goals, standards and developing plans for the future.

Organizing - giving each person a specified task, establishing various departments, co-ordinating the work and having proper communication with the authorities etc.

Staffing - recruitment of selected candidates for the projects, hiring people, training the employees, evaluating the performance etc.

Directing - getting people to do the job, motivating other subordinates etc.

Controlling - monitoring the performance of the job done.

Co-ordination - achieving harmony within the organization with proper human efforts and to achieve the company goals & Objectives.

INTRODUCTION

There is growth in India's infrastructure over the past years, and the Gross Domestic product has increased considerably if compared to the last decade since the construction sector is the biggest employment sector and it is the second employer to agriculture.

In any organisation people who are given jobs to achieve company goals and vision are managed by the human resource department. This department holds the 6 main functions of planning, staffing, organising, directing controlling and co-ordination. The construction industry is unorganised sector/ unstructured and labour intensive. Construction work is dangerous; and a lot of hard work is involved. Thus proper organisation of staff, their recruitment and retention and their safety are the major criteria that are involved in the construction industry.

LITERATURE REVIEW

ROLE OF HUMAN RESOURCE IN THE CONSTRUCTION FIRMS

Human resource management is about theory, techniques methods and various tools used for adjusting people to each other, the organization, the work and relations to meet the organizations objectives/ goals.

The activities that include under HRM are -

HUMAN RESOURCE DEPARTMENT

Many a times it is observed that construction small firms do not have the Human resource department. The challenges that are faced by Human resource department with medium and large scale construction firms who have more than 50 employees and various construction projects are being carried out.

RESEARCH METHODOLOGY

Data was analysed from several construction firms of builders / developers through questionnaire and surveys conducted with the HR managers.

The questionnaire was related to the strategies adopted in the construction firms and what are the problems that the HR managers faced in retention of the employees.

Almost 5 construction firms were contacted and data was collected from their HR managers.

From the survey, 3 major factors are analysed, which are challenging for the Human Resource Management in the construction industry.

1. Recruitment of employees
2. Retention of the employees &
3. Training for skill development

1. RECRUITMENT OF EMPLOYEES

Recruitment of qualified employees is still a problem as there is shortage of qualified people. The construction industry requires specific skill sets of the employees. According to the HR managers there is supply demand gap of well qualified engineers, architects, site engineers, project managers which are required on site.

2. RETENTION OF THE EMPLOYEES

Once the employees are recruited on site, after a certain period, people generally tend to leave the job and move to other construction companies which they find beneficial. In this aspect it is difficult for the employer or the HR executives to retain the employees for the benefit of the company. The HR department and the company have invested time and money on the employee through training and other skill development programmes that can be fruitful to the company. But it is difficult to retain the employees for a particular job.

3. TRAINING FOR SKILL DEVELOPMENT

There is shortage of workmen and qualified engineers. To fill this gap, there is necessity of training to be imparted to employees and workmen. There is lack of skills in the skilled people and unskilled workmen. Skilled people here are engineers – who do not have the specific skills to cope up with the industry demands, they can be fresher’s, managers or senior managers who tend to lack technical skills, managerial skills or software skills required for a particular job. The unskilled people are the labours who also lack the specific skills required for a specific trade. E.g. bar bending, masonry work or shuttering/ formwork and carpentry.

The labours have been working on a specific trade from early years, when their family members introduced them to their trades. It is through observation and communication with family members that the trade is followed, but the trade still needs to be developed and thus training for the labours is necessary to fill the gap of skilled labours, so that there can be an increase in productivity, and thus the overall economy of the construction industry can be improved.

DATA ANALYSIS

The HR survey was carried out with developers of Pune region amongst them are - Goel Ganga Group, Amit Enterprises, Naiknavare, DSK builders, B.U Bhandari. The questionnaire was directed to the HR managers of these construction firms on what are the challenges that the HR managers face today?

Out of the problems stated, recruitment, retention and training are main points that were highlighted.

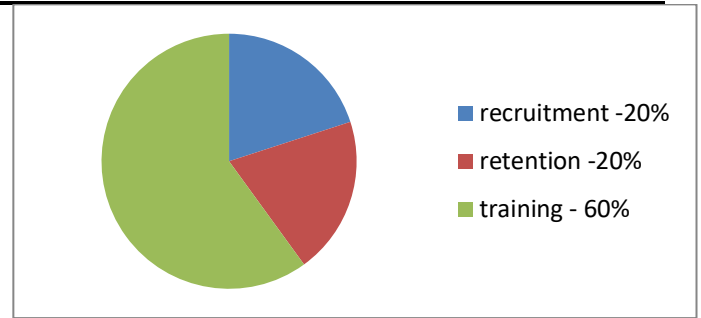


Fig -1 – shows distribution of recruitment, retention and training of which recruitment contributes 20 %, retention 20% and training 60%.

From the above discussion it is being observed that training of skilled employees and unskilled workmen is necessary for the productivity on site.

As illustrated in Fig-1, it is seen that there is shortage of skilled workforce.

A. Skilled employees – Skilled employees fresher’s, Jr. Engineers, or Senior Managers may not have a certain skill sets, required for the progress of the project. To sustain the growing demands of the construction industry and to achieve the required productivity, it is necessary to develop the skill sets which can be done through training programmes.

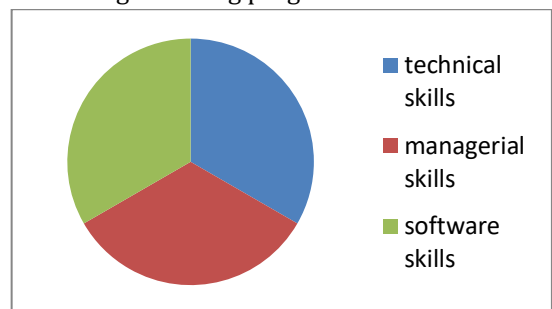


Fig-2 – shows equal distribution of skills necessary for skilled employees.

B. UNSKILLED WORKMEN - The unskilled workmen come from different backgrounds, the culture, social welfare, absenteeism, safety concerns poses a big problem to the construction firms. So training of these people is necessary as it develops a positive outlook to the society, as they are trained and motivated to a specific skill set.

It has been seen that unskilled workmen contribute a higher percentage than skilled workmen. There are unskilled, semi-skilled and skilled workmen on the construction site and from the Fig 3- it is clear that unskilled workmen contribute about 70% semi-skilled contribute about 20 % and skilled workmen contribute about 10% on construction sites.

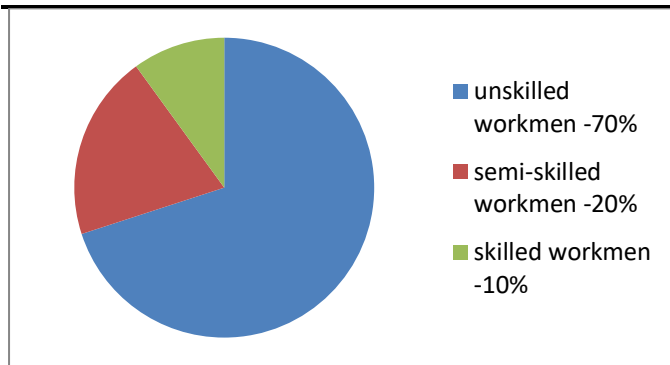


Fig – 3. Shows distribution of workmen on construction sites.

From the above analysis it is found that the key responsibility lies with the construction firms to train the workforce, which can increase productivity as the gap between wages of skilled workmen and unskilled workmen is huge. The unskilled workmen get 30 % less than that of the skilled workmen.

CONCLUSION

Thus from the above factors it is certain that training of skilled employees in the construction firms and unskilled workmen on the site is necessary along with motivation in the form of certificates, awards, increase in salary, which will benefit the recruitment and retention of the employees and this in turn will increase the overall economy of the country.

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