

LANGUAGE IN INDIA

Strength for Today and Bright Hope for Tomorrow

Volume 12 : 2 February 2012

ISSN 1930-2940

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Communication is the Key to Effective Construction Management in Small and Medium Enterprises

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Introduction

The efficiency and effectiveness of the construction process strongly depend on the quality of oral / written communication among construction team members and other stakeholders. Often problems in construction are referred to as communication problems. Due to its specific characteristics, construction industry forms a complex communication environment. This industry is made up of many diverse and competing organizations and professional partnerships, the majority of whom are brought together mostly for a temporary period for working as a team in a project.

The construction industry is known for its adversarial behaviour and it is questionable as to whether there is ever a real 'team effort' when it comes to designing and producing a building. This situation is truer in the small to medium level construction companies.

The Scope of the Study

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Communication is the Key to Effective Construction Management in SMEs

The aim of the paper is to address some of the current issues of SME construction companies based in and around Chennai city. There are a number of SME companies in the Chennai metropolitan areas, besides there are many more located in other cities in Tamilnadu. The representative sample of such organizations has the following characteristics:

- Small to medium size - in terms of turnover Rs.10 to 50 crore per year
- Developing and marketing properties is the scope of business
- Constructing on an average of 100,000 – 150,000 sq.ft per year.
- With/without own labour force.
- The labour force is drawn mostly from migrated community and such migrated labourers do not speak the local language (Tamil). The technical staff at the supervisory level from Tamilnadu generally does not have bilingual or multilingual capabilities.
- Architecture and Structural Engineering Services are generally not in-house, but outsourced.
- Site Engineer / Supervisor job profile is generally not well defined. No communication focused on career development exists.
- Loyalty among employees found in generations is missing especially in the junior level.

What Works and What Doesn't

The 11 most unsuccessful companies in the McKinsey study had poor people management, which showed up as the following:

- Lack of commitment and follow through by senior executives;
- Defective project management skills among middle managers; and
- Lack of training of and confusion among employees.

Whereas the 11 most successful companies in the study had the following excellent people programmes:

- Senior and middle managers and frontline employees were involved;
- Everyone's responsibilities were clear; and
- Reasons for project were understood and accepted throughout the organization.

The difference seems to lie in understanding the basic concept of people management irrespective of the size of operation. Unless management comprehends and fully supports the premise that organization must have high degree communication (like people needing lots of water), the organization will remain stilted.

Building is a people business, the human factor cannot be ignored; thus relationships are critical to the efficiency and quality of the process and the product. Effective communication leads to better understanding; better understanding in turn leads to utmost cooperation resulting in employees' commitment towards their jobs.

Delivery of a well-designed and well-constructed building that is functional and enjoyable to use requires expert managerial skills throughout the entire process, from the team-brief through customers' occupation. At the heart of good people management lies the ability to create, promote and sustain healthy communication networks. Communication will help individuals to establish a degree of trust, help to achieve empathy and thus influence the synergy between them. It follows that the faster they are able to communicate effectively the faster they will establish a good working relationships and hence the stronger the likelihood of a successful project.

Communication Scenario in SMEs in Tamilnadu

In most of SMEs, a well-defined communication system is conspicuous by its absence. Communication is frequently taken for granted until something goes wrong. When such a

situation is observed keenly, it shows people pointing fingers on other sides, claiming of extra efforts (thus costs), coupled with a decreasing level of trust.

A typical small to medium size construction project, as observed in this part of the country, has the following communication peculiarities and challenges:

- Lack of continuity within and between projects of their own, which makes the establishment and promotion of efficient and effective communications very challenging.

With each project individuals are faced with communicating with unfamiliar organizations and unfamiliar individuals. Besides, the present day trend in SMEs shows that the junior to middle level technical supervisory staff in the construction sites pose greater hurdle in the construction progress by their very unmindful and noncommittal attitudes; then under pressure from the management, these employees opt only to move out of the organization rather than correcting themselves and improving their performance. In such environment it takes effort and time for effective communication to be achieved.

- Each new project will have different participants, thus relationships and communication channels have to be (re)created for each project.
- Individual projects are not so much identical in SMEs in terms of design and material specifications. Consistent quality of materials from all the suppliers is not as much guaranteed due to the fact that some of suppliers of construction materials are willingly continuing to be unorganized and finding comfort in running their business without aiming for quality improvement.
- In view of the small size, owners have direct influence over the communication culture by setting the budget and the timescale for completion of the construction works.
- The organizations offering services viz. the architecture or structural engineering firms are not found to be stable; such firms are mostly individual-driven and not having sufficient manpower or required organizational structure, thus affecting the efficiency of the informal communication channels that would have developed.

- Formal written communication channels and tools are not effectively used. Inter-organizational formal communications are not adequate nor face-to-face meetings are held periodically as important means of exchanging and sharing information; sufficient duration is also not allocated to make it efficient.

These characteristics may vary depending on the contextual setting of individual projects, namely the characteristics of the people involved, the structure of their organizations and the relational outsourced services imposed by the management.

However, the top management of construction companies, despite the above deficiencies, will have to strive to achieve the business targets. In order to deliver the desired results, the construction companies should ensure that the right skills and experience are in place in the projects. Besides, it is also essential that the right resources (men, materials and machinery) are allocated in the right place at the right time. Finally, there should be a sense of unity among the construction team created by a clear, shared and understood goal. To activate this mission, it is essential to establish a system of communication of progress, issues and expectations.

Why People Skills are so Important?

The construction industry is not homogeneous industry. Every project is cyclical in nature. With the enlargement of scope of activity of each project, there will be increase in the complexity of the project. In SMEs due to sustained higher attrition level among junior/middle level technical staff, there is a prevailing risk in keeping up the project schedule in this sector and it needs expert people skills as a risk management strategy. Other important aspects requiring people management skills are that there are sufficient number of organizations offering various technical / supply services and the construction companies, though small, are becoming customer-driven to win over competition. All these activities in the construction industry make in fact 'people skills' a prerequisite.

Changing Scenario

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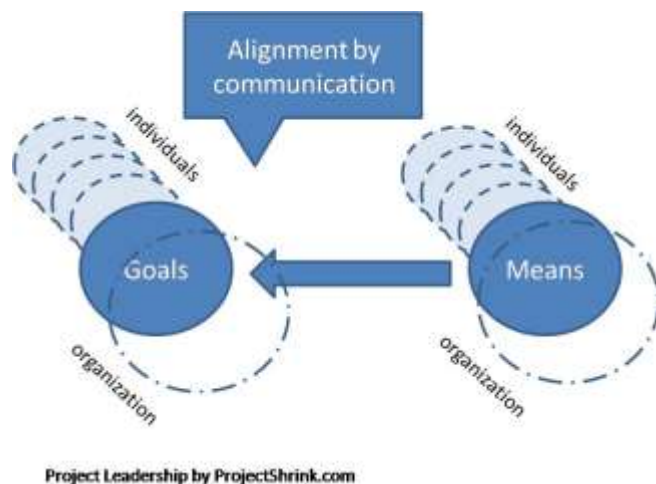
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The production environment of the construction site involves a very tight time schedule with the full attention to planning, coordination and completion of the building activities. The project manager, the site engineers and supervisors are needed on site to coordinate work, do inspection, write monitoring documents and follow up till the construction activities are completed. Even though monitoring and documentation at the project sites in most of the SMEs are not found to be at the desired level, there are certainly signs of improvement due to the realization that systemizing the production process only will help individuals / organizations to go to the next level of business / career opportunity.

It is experienced in most of the small to medium organizations that using only hard skills at the senior managers' level has led to dissatisfaction at all levels down the line. There are issues reaching critical points due to lack of open communication. A project manager developing a plan in isolation may cause instability in his team. It is only a clear understanding and effective application of soft skills that will enhance the morale of the project team and thus resulting in the success of a project exponentially.

Elements of Project Leadership



Therefore, the elements of construction project leadership are:

- Goals and Means on individual, project and organizational level
- Alignment of goals and means on all levels by communication

Goals

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A project has a goal, an objective. Individuals have goals, ambitions, and interests. If people's goals are met, they work happy; if not, they don't. It is the job for the top management to align the goals on all levels. The management is to keep on tweaking and adjusting and make sure that everyone understands and kept in balance.

A project manager, as the team leader should possess/ acquire the following important communication skills:

- **Convey** complex ideas easily
- Clearly **articulate** what must be accomplished
- Keep team **moving** toward a common goal
- **Foster** an environment that allows team members to communicate openly and honestly
- **Admit** own mistakes without losing respect
- Negotiate, **listen**, and facilitate

The existing practice of relying too heavily on a) Authority, b) Money, and c) Penalty by the project managers should be discouraged to avoid project failure.

Why people work

To manage people, SMEs need to understand why they work for them in the first place and then explore what they need so that they can work better.

Research studies have shown that people are usually attracted to a job for the *extrinsic* reasons such as good pay, good benefits, and good working conditions. They usually stay with a job for *intrinsic* reasons such as liking the people they work with, finding the job challenging, people praising them for the job they do, etc. Therefore, it is said that paying more money (extrinsic motivation) does not make them work harder, but might keep them from leaving. Intrinsic motivation is what builds loyalty and dedication in employees. Intrinsic (or inner) motivation causes people to participate in an activity for their own enjoyment. It is the utmost important task

of the project management to establish an effective communication system to facilitate strong links among the employees as well as leadership with the task.

Conclusion

The full recognition and determination to improve collaborative communication and information exchange throughout all the construction phases will probably have considerable effects on the success of construction projects. It is realized that interpersonal and intergroup communications are vitally important to the success of a construction project.

Accordingly, the following adaptation in communication management is suggested to mitigate the ill-effects of lack of communication in SMEs:

- Team briefing to weekly / monthly meeting should be enforced to channelize formal communication.
- Create more number of face-to-face meetings especially during the initial stage of the construction to alleviate the likely confusions during this period and to facilitate exchange of knowledge.
- The importance of upward communication, from employees to management should be recognized and ways and means of creating and sustaining open communication should be encouraged.
- Informal communication channels should also be given due importance and opportunities created to promote more interactions among employees.
- Regular language classes may be conducted to suit the workplace language environment.

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Project Leadership report from www.projectslink.com

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