

# AN EMPIRICALLY GROUNDED FRAMEWORK FOR HUMAN RESOURCE MANAGEMENT IN THE SRI LANKAN CONSTRUCTION INDUSTRY

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Human resource management (HRM) has assumed considerable importance in the theory and practice of management of construction projects in recent years. This research is an empirical study of HRM in the Sri Lankan construction industry. The research focuses on the particular roles that staffing, employee development and rewards has on the motivation of masons in the Sri Lankan construction industry. Semi-structured interviews were chosen as a main research instrument for data collection. 90 masons and 30 supervisors were randomly selected from 10 construction sites within the Sri Lankan construction industry. The study's findings show that the supervisors and masons in the construction industry in Sri Lanka are aware of the supposed advantages of staffing, employee development and the rewards of a HRM approach. A framework was then developed to implement source of the findings. The implementation of this HRM framework could give a new dimension and benefits to the Sri Lankan construction industry (SLCI). If successfully implemented this same framework, could be applied in other industries such as manufacturing and defence after it has been tailored to fit such industries. It could also be used in other developing regions similar to Sri Lanka. The study contributes to the body of knowledge on motivation and also presents a HRM framework for improving the motivation of supervisors and masons in the SLCI.

Key words: HRM framework, Human Resource Management, Motivation of Masons, Sri Lanka

## INTRODUCTION

The construction industry is one of the world's most important industries (Mawdesley et al, 1996). The crucial importance of the construction industry to a sustained development effort in a developing country cannot be overemphasised. Although construction is not an end in itself, it is the means for the achievement of the desired end, which is the development of new production capacity in the economy. However, in developing countries, productivity in construction has remained at a relatively low level compared to other major industries (Zakeri et al, 1996)). Therefore the effect of productivity on a nation's economy is highly significant. Improved productivity in the construction industry can have an important role in promoting national competitiveness and a satisfactory growth rate. The importance of productivity to any society cannot be over emphasised because it is a valuable measure of how well human resources are used in society. This research is an empirical study of human resource management (HRM) in the Sri Lankan Construction Industry (SLCI). The research focuses on the particular roles that staffing, employee development and

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rewards have in the motivation of masons in the SLCI. The study as a whole contributes to the wider debate on worker motivation.

## **MOTIVATION THEORIES**

Theories of motivation are useful for practising managers because of their capacity to sensitise them to specific factors and processes that can have an important bearing on the behaviour of people at work. In this sense, motivation theories and research data are tools which managers can use to improve the performance of workers.

Many researchers have developed theories of worker motivation (Olomolaiye, 1990; Price, 1992; Pinder, 1984). The literature on motivational theories has flaws and weaknesses and is outdated (Newstrom and Davis, 1997; Steers *et al*, 1996). Motivational theories are also based on the functionalist paradigm are not multi focused and do not give a real representation of how workers in construction are motivated. Most of them deal with intrinsic properties which are not sufficiently socially constructive for any credence to be given to them. The motivational theories, which take a functionalist view, offer only one perspective on the social construct. What is needed, therefore, are other methods of researching motivation in construction which embrace some of the salient points mentioned in social research theories (Burrell and Morgan, 1979). Both the social as well as the scientific nature must be included in any study of construction worker motivation.

HRM is a socially constructed concept as opposed to the functionalist and traditionalist views of the motivational theories. Therefore, future studies of motivation of construction workers, in particular Sri Lankan construction workers, should embrace these modern, more pragmatic views of the social construct that are found within human resource management.

## **OVERVIEW AND DEFINITION OF HRM CONCEPT**

There is a controversy surrounding the term HRM in Britain: it lacks precise formulation and there is disagreement as to its significance (Storey, 1989 and 1995). However, Bratton and Gold (1999) propose a definition:

*“The part of the management process that specializes in the management of people in work organization, HRM emphasizes that employees are critical to achieving sustainable competitive advantage, that human resource practices need to be integrated with the corporate strategy and that human resource specialists help organizational controllers to meet both efficiency and equity objectives”.*

A change in terms from personnel to human resources in managerial functions as well as in textbook titles is more than fad and fashion. It signifies a shift from a human relations focus on people as such (although also as employees) to people as resources in an employing organisation (Storey, 1995).

Storey (1992) identifies various key levers of HRM; they are: the handling of the recruitment and selection process as an integrated and key task; a move away from collective labour management with shop steward representation, towards individual contracts, based on a reduced number of jobs grades or categories, and the move to performance-related pay. Levers towards HRM are also found in the positive approach

to managing the climate and culture of the company, and the emphasis on the “learning company” approach to employee development.

From among the many different theoretical principles lurking behind the management literature on HRM, the focus of this study is to examine the three factors that would be most applicable to and most useful for the Sri Lankan problem. The study is thus concentrated on staffing process, employee development process and reward systems.

## **METHODOLOGY**

Research data were collected by means of a survey of masons in 10 construction sites in Sri Lanka. Interview sessions were the main research instrument in the study. 120 semi-structured interview sessions were conducted and fully tape recorded. The interviews were conducted in Sinhala, which is the lingua franca of the Sri Lankan operatives.

## **RESEARCH RESULTS AND DISCUSSION**

### **Staffing Processes**

Staffing encompasses the human resource activities designed to secure the right employees in the right place at the right time (Gomez-Mejia et al, 1995). Management professionals in the construction industries making a decision to recruit employees must consider whether to rely on the external or internal labour market (Beardwell and Holden, 2001). Among Sri Lankan construction firms, those with outstanding and average performance seem to be less informed about recruitment and selection processes.

### **Existing Staffing Processes in the SLCI**

This research shows that the most common staffing procedures for supervisors and masons in the SLCI are as follows: advertising the vacancy, calling job applicants, conducting interviews, direct recruitment through personal contacts, friendship or any other form of relationship. Advertising the vacancy is more prevalent than other existing staffing procedures.

Direct recruitment through personal contacts, friendship or any other relationship sometimes causes favouritism and employment of unsuitable workers. However, there are some advantages to this system. Recommendations from a reliable source can guarantee the trustworthiness of employees.

Other methods for recruiting employees are not common in the SLCI. These include: direct recruitment, conducting a practical test of applicants' knowledge, conducting a theory test of applicants' knowledge, giving effective pre-work training, and using a registered list or recruitment agency. Although direct recruitment as a result of political influence is not common in the SLCI as a whole, it does play some part in direct labour recruitment. Direct recruitment due to political influence is detrimental to the company and results in similar difficulties to those discussed earlier in relation to direct recruitment through personal contacts, friendship or any other relationship.

The theory test of an applicant's knowledge is not especially suitable for masons and not prevalent in the SLCI. One reason is that most masons are not taught the rudiments of masonry theoretically. They start off as an apprentice to another mason, or as labourer who shows some interest in masonry work. Only 7% of supervisors and none of the masons mentioned the theory test method. In general, masons are not as

well educated as supervisors – thus some Sri Lankan masons cannot understand the theory test. The practical test is more suitable for the recruitment of masons, because their job is completely practical, unlike that of supervisors. 62% of masons and none of the supervisors specified a practical test. Recruiting employees through an agency system does not exist in the SLCI. This is due to the availability of cheap labour. An employment agency system has not taken root in Sri Lanka.

### **Employee Development Processes**

Employee development processes have become an integral part of most construction industries (Harrison, 1992 and Bratton and Gold, 1999). In general, both new and existing workers will require more training and employee development, especially in developing countries. The findings show that the employee development and training process is a highly valued function, but not adequately distributed amongst supervisors and masons in the SLCI. Only 12% of the respondents stated that they had satisfactory access to employee development processes. This is the result of the reluctance of employers to invest in employees due to uncertainties in the SLCI.

### **Existing Employee Development Processes in the SLCI**

The survey results regarding employee development processes in the SLCI reveal that the following processes are both widespread and popular: On the job training by specially appointed people, on the job training provided by senior employees, Induction training at the beginning of employment, a short duration training programme.

Most construction firms in the private sector offer only introduction training as an employee development process. Some private firms do not even offer this limited option due to their busy day-to-day schedule. This means some employees are starting work without any induction being offered by their employer. This can obviously result in poor quality work and low productivity, because company procedures are not well understood. On the job training by senior employees can sometimes prove detrimental to a company because of favouritism, or the passing down of work-related weaknesses from senior employees to trainees. On the job training by specialists can overcome the above disadvantages.

There are other methods (e.g. a firm's own training programme, frequent conferences) which are not common in the SLCI. Although uncommon when considered as a whole, considerable variation in response can be seen if the responses of the various groups are considered separately (e.g. masons only or supervisors only).

Most employee development processes in the SLCI are available to supervisors to a much greater extent than they are to masons. The supervisor's role involves more responsibility and is thus of more importance to the firm. Consequently, only 36% of masons but all of the supervisors have short introductory training programmes. Similarly, only 26% masons compared to 80% of supervisors experience their firm's own paid training sessions. It should be noted that some training sessions that are conducted for masons can prove to be very challenging due to the low literacy level of most masons within the SLCI.

### **Reward Systems**

Another key feature of modern approaches to HRM, within the construction industry and elsewhere, is reward systems (Bratton and Gold, 1999). Generally, the structure of the reward package is related to the job, as well as to the expectations of the employee

and the labour market. Reward packages consist of either a salary component or an incentive component, and can also be categorised as money related or non-money related (Rajan, 1997 and Beardwell and Holden, 2001). However, most Sri Lankan construction firms suffer from serious financial problems and are busy with day-to-day workloads. These firms still have poorly distributed reward systems. The superficial view is that most of the small private sector firms in Sri Lanka are often bankrupt and terminate contracts without having a chance to reap the benefits of reward systems. The study findings show that the majority of construction firms in Sri Lanka have some kind of reward system, but that these are inefficient.

### **Existing Reward Systems in the SLCI**

Certain reward and incentive systems are currently in existence in the SLCI. However, only the following elicited a response rate of more than 50%: overtime is offered, a good reputation is achieved, praise is given, satisfactory facilities are provided (e.g. housing), social activities are organised, rewards and certificates are given, a good employer/employee relationship is achieved, a satisfactory salary is earned and Permanent jobs are offered

Overtime is currently the most prevalent and popular reward system in the SLCI. Considering the high amount of absenteeism and the insufficient number of employees, management has to cover the day-to-day workload by giving overtime to existing workers. This explains the high incidence of overtime in the SLCI. However, management has to manage and plan the workload. It also has to take into account employees' work capacity and allocate overtime accordingly, otherwise productivity and motivation will be negatively affected.

Unemployment is a severe problem especially in developing countries and this situation is clearly true for SL. The opportunity to have a job is a significant motivation for Sri Lankan employees. It must also be remembered that the benefits and salary provided by employment within the SLCI are much higher than in other industries. Hence having a job in the SLCI is also a means of achieving a good personal reputation.

Expressing warm approval, respect and gratitude for high-quality work is also considered to be a reward system in SL. This reward can be easily provided and achieved. However, praise given to unsuitable employees can also negatively affect the motivation of others. Management has to be aware of this because the problem of favouritism is also widespread in the SLCI. Bearing in mind the economy and living conditions of the country, the provision of satisfactory facilities (e.g. housing, accommodation, etc.) is a reward valued highly by Sri Lankans. Considering supervisors and masons separately, it can be seen that there are more beneficial reward systems available to supervisors than masons. 100% of supervisors and only 36% of masons have permanent jobs. 77% of supervisors and 53% of masons are satisfied with the social activities organised by their firms. Furthermore, the results show that there is only an 11% overall prospect of promotion in the SLCI. This is extremely low. The responses of supervisors and masons differ: 67% of supervisors and only 24% of masons stated that their firms have a clear promotion scheme. Offering training opportunities or facilities as a type of reward is more freely available to supervisors than masons.

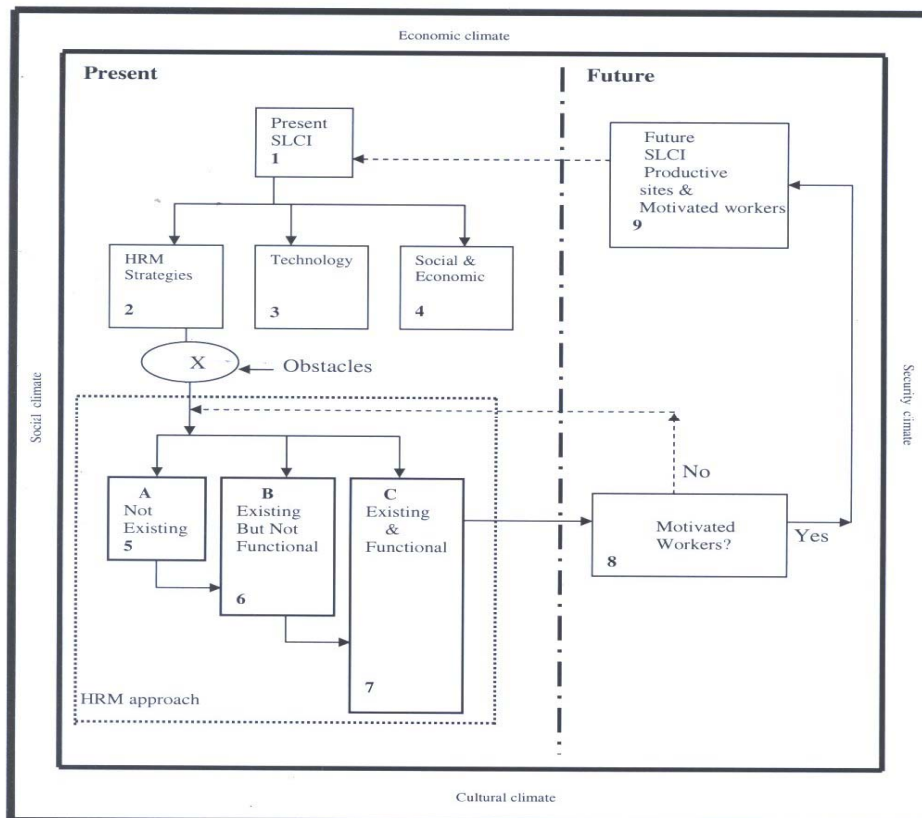
Masons appear to be more satisfied with their salaries than supervisors, even though the supervisors' salaries are higher than those of the masons. According to the

qualification, social status and comparison with other industries, masons are more satisfied with their salaries.

To summarise, the findings show that most supervisors and masons are aware of the supposed advantages of modern HRM approaches (i.e. staffing, employee development and rewards). They realise that these approaches can have significant positive effects on employee motivation, although they have yet to play a role in the motivation of the Sri Lankan supervisors and masons. Furthermore, supervisors and masons are aware of the motivation benefits, which can result from the implementation of the approaches. 95% of the respondents cited the motivational benefits (e.g. institutional and employee productivity is increased).

## FRAMEWORK FOR MOTIVATING WORKERS

Framework for motivating workers in the Sri Lankan Construction Industry (SLCI): A HRM approach



Key HRM

A – Introduce these HRM practices      B – Improve these HRM practices;      C – Check and monitor these HRM practices

**Figure 1: HRM framework for motivating workers**

### Description of a HRM Framework for Motivating Sri Lankan Masons

The empirical framework in Figure 1 shows the inclusion of HRM strategies in the Sri Lankan construction industry (SLCI) with reference to staffing, employee development and rewards. The framework moves from left to right and from top to

bottom to achieve motivated workers and a productive construction site, except on the far right of the figure. This is explained according to the numbers in each box:

The thick dotted line running vertically downwards separates the present construction site from the future construction site. In effect, everything on the left of this vertical line deals with the present construction site and with workers whose motivational levels are to be improved. To the right of the line is the construction site whose motivation level has been improved. Box 1 shows the present situation of SLCI. HRM strategies, technologies and social economic issues in the present SLCI are included in boxes 2, 3 and 4 respectively. The research work concentrated only on the discourse of HRM strategies to the SLCI. It focuses on staffing, employee development and rewards processes. Hence there is an opportunity to consider other HRM key areas (i.e. employee maintenance and employee relations) to apply to SLCI. One assumption in the framework is that technological and social factors are assumed to be constant, or rationally relative to meet the changing trends in the SLCI.

Circle X is about the obstacles to the discourse of HRM approach to the SLCI. These obstacles were investigated in the field survey. Whenever there is an obstacle, the idea is usually to find a simple solution or to bypass the problem. However, in HRM only by solving (clearing) the obstacle is the solution of motivating construction workers solved. We cannot ignore or bypass it.

Some obstacles have been identified: Management deficiencies, Lack of time due to busy day-to-day work, Difficulty of changing the way the institution is perceived, Financial and facility problems, Difficulty of introducing new technology. According to the framework these obstacles have to be cleared and monitored prior to the discourse of HRM strategies to the SLCI.

The research suggests that there are 24 characteristics about staffing, employee development and rewards to be applied to the SLCI in the present study. More than 95% stated that all of these characteristics are important to the SLCI and they are willing to accept them. From the nodes / boxes 5, 6 and 7 represent the different stages of HRM in SLCI.

“A” in box 5 is the HRM introduction process

“B” in box 6 is the HRM improvement process

“C” in box 7 is to check and monitor the HRM processes.

Among these 24 characteristics, 13 characteristics were found not to exist in the SLCI, in the present study as mentioned in box 5. Therefore the characteristics, which are in box 5, have to be introduced to the SLCI. They are:

- Reduce number of job grades or characteristics
- In the recruitment process, identification of training needs to avoid skill shortages
- Training and career development programmes designed to help an organisation satisfy its skill requirements and employees realise their maximum potential
- The management have to decide the extent of their involvement in the planning of training and development activities
- The organisation must decide whether to organise training and development activities for individuals or teams

- There should be an evaluation of the training and development activities
- Firm-based training and learning activities may be beneficial
- The provision of equal opportunities within its training for craft, operative and technicians new entrants
- A reasonable performance appraisal programme should be existing in the organisation
- Money-related rewards are important
- Individual-related rewards are important
- Incentives not linked to performance, such as holiday pay, sick pay, long service allowances, pension funds etc
- Incentives partially tied to performance such as profit sharing

Among 24 HRM characteristics, 10 HRM characteristics were found to exist in the SLCI, but were not functional. They are shown in box 6. Therefore the characteristics in box 6 have to be improved and activated. They are:

- Organisation has clear staffing procedures
- Staffing is designed to secure the right employees at the right place and at the right time
- Recruitment plans to avoid unexpected shortages
- Recruitment and selection process is concerned with identifying, attracting and choosing suitable people to meet an organisation's HR requirements
- The management decide to orient their training and development activities towards short term or long term objectives
- The organisation should have an efficient rewards and incentive system
- Non-money related rewards are important
- Group-related rewards are important
- Incentive directly tied to performance
- The organisation keep it payment structure up to date

Box 7 contains the HRM characteristics, which are existing and functional. The only characteristic that can be found in this category is as follows:

There should be appropriate and adequate job design and analysis procedures (mainly about how to recruit, how to select, how to train, how to develop, how to downsize, how to administer wages etc).

The HRM characteristics mentioned in box 7 should be checked and monitored.

If this process is successful, motivated workers can be achieved (in box 8) and there is a move towards future productive construction sites (box 9). If this process is not successful, the system will have to be checked and the previous procedures repeated until the organisation is satisfied with the workers' motivation. This process is indicated by the dotted arrow from box 8 in the framework.



At a given point in time, the future construction site can become the present site, shown by the dotted arrow (from box 9 to box 1). The process starts again when the organisation carries out HRM activities to test the level of motivation of its workers. If they are not satisfied, they can carry on managing and implementing HRM solutions until the organisation's expectation level is reached.

However, the framework is influenced by the following factors: Cultural climate, Economic climate, Social climate, Security climate. This is indicated in-between the thick outer rectangular and inner rectangular shapes in the framework.

## CONCLUSION

The study concludes that the supervisors and masons in the construction industry in Sri Lanka are aware of the supposed advantages of staffing, employee development and the rewards of a HRM approach. However, these characteristics have yet to play a significant role in the motivation of Sri Lankan supervisors and masons. A contextually sensitive application of these three strategies has the potential to improve motivation of the Sri Lankan construction workforce.

The study contributes to the body of knowledge on motivation and also presents a HRM framework for improving the motivation of supervisors and masons in the Sri Lankan construction industry (SLCI). The implementation of this HRM framework could give a new dimension and benefits to the SLCI. If successfully implemented, this same framework could be applied in other industries such as manufacturing and defence after it has been tailored to fit such industries. It could also be used in other developing regions similar to Sri Lanka.

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