
Labour Management

Introduction

Although the construction process has become more mechanised in recent years, it still requires labour resources.

There are three basic methods of performing the works :

1. Using directly employed labour

This method is said to give the contractor greater control over production rates and standards of workmanship. However, the disadvantages of this method are that the administration costs are higher and it is difficult to provide continuity of employment from one contract to another.

2. Using a labour only subcontractor

When subcontractors are used there must be strict quality control of their work.

3. Using a subcontractor for labour and materials

Labour only subcontract workers tend to show less respect for the materials they use and wastage must be closely monitored.

Nowadays, there is a shortage of labour relating to some of the construction crafts such as bricklayers and electricians. Questions have to be asked as to why workers leave the industry.

Currently construction ranks close to the bottom of desirable occupations. Construction suffers from the 4 D's - the perception of many workers is that it is dirty, dangerous dull and demanding.

It is important that the various management activities related to personnel are understood. Assuming that the contractor employs his own labour directly , these include :

- Recruitment
- Time management
- Incentive schemes
- Training programmes

Recruitment

Once a building company has won a contract, it may be necessary to recruit operatives and staff. The exact numbers of each type of operative required for the project will have been determined when the method statement was written. Allowing for any operatives already employed by the company, who could be available from other projects, the contractor can determine the number to be recruited.

Different methods of recruitment are available but these usually involve some form of advertising or personal recommendation by other employees. The site agent or personnel manager will have to select the required number of each type of operative from the applicants. This will require consideration of a number of factors, including :

- whether the applicant has the necessary skill levels
- whether the applicant has good references from previous employers
- whether the applicant displays an aptitude for team work
- when the applicant will be available to start work

When employees are engaged, the company must take care to satisfy all the requirements of current legislation, including all legislation related to discrimination; Trade Union Labour Relations Act; Contracts of Employment Act; Employment Protection Act; Social Securities (Pensions) Act; etc.

After selection has taken place, and assuming that the offer of employment has been accepted, the date of commencement will be agreed. On the first day of employment the new employee will usually have to fill in various forms to provide records of :

- name and address
- National Insurance information
- details of next of kin

In addition to explaining the actual working procedures on the site, the company will clarify items related to :

- company regulations
- company safety policy
- welfare facilities
- working hours
- bonus schemes
- recording time on site

It is important that the performance of new operatives is monitored and assessed as soon as possible after starting, in order to ensure their suitability to the job specification.

Monitoring time on site

It is important that there is some system of determining the time operatives are actually on site. In addition, the time spent by operatives on different activities is recorded in order to determine bonus payments. This information is also used to enable the contractor to allocate accurately the costs related to specific tasks. This information can then be used to estimate the unit rates which are used when tendering for new jobs.

Operatives time on site can be determined by either :

- **a time clock** - each employee has a time card which, on arrival and departure from the site, is inserted into a time clock which registers the exact time.

The advantage of a time clock system is that accurate times are recorded automatically without supervision. However, it is possible for operatives to cheat by clocking each other on and off so some degree of monitoring is required.

The disadvantage of a time clock is that it becomes congested if a large number of people are clocking off at the same time. This tends to lead to operatives finishing work earlier than they would normally do so that they are first in line to clock off.

- **time sheets** - commonly the foreman will be required to fill in a time sheet for each operative s/he supervises. These are then summarised on a weekly sheet which can be sent to the wages department and used as a basis for payment.

An example of the layout of a time sheet is shown below :

| CONTRACT : _____ | | TIME SHEET | | | | Name : _____ | | | | | |
|----------------------------|--------------|-------------------|-----|-----|-----|----------------------|-----|-----|--------------------|------|-------|
| Week ending : _____ | | | | | | Trade : _____ | | | | | |
| Job Description | | Mon | Tue | Wed | Thu | Fri | Sat | Sun | Total | Rate | Total |
| | Standard | | | | | | | | | | |
| | Bonus | | | | | | | | | | |
| | Standard | | | | | | | | | | |
| | Bonus | | | | | | | | | | |
| | Standard | | | | | | | | | | |
| | Bonus | | | | | | | | | | |
| | Standard | | | | | | | | | | |
| | Bonus | | | | | | | | | | |
| | Standard | | | | | | | | | | |
| | Bonus | | | | | | | | | | |
| | | | | | | | | | Total | | |
| | | | | | | | | | Expenses | | |
| | | | | | | | | | Subsistence | | |
| TOTAL | | | | | | | | | | | |

Incentive schemes

Incentive schemes are used to motivate operatives in order to increase production. Many factors are involved if they are to operate successfully. These include :

- **agreement of targets**

Targets should be realistic and agreed with operatives.

- **simple to understand**

The scheme should not be complex. It should be easy for all to understand, both the operatives who perform the work and the bonus clerks who administer them.

- **fair operation**

Once agreed, targets should not be changed, except by mutual agreement.

- **regular bonus**

To fulfil its role as an incentive the bonus needs to be paid regularly, preferably weekly.

There are various types of bonus scheme, most of which operate on a target basis.

- **Target hours**

This type of bonus scheme works by agreeing a certain bonus rate related to a reduction in the number of hours needed to complete an operation.

The operatives will be issued with a target sheet which describes the work to be performed together with a breakdown of the hours allocated to each type of operative.

The bonus which can be earned will be set at a certain % of the basic hourly rate (usually between 50 and 75%)

- **Target unit rate**

In this method, a target unit rate is given to the operatives. For example concrete beds laid and finished at the rate of 5 m² / hour.

At the end of the week, the amount of work is measured and the actual hours spent on the work is also recorded. The bonus can then be determined.

Incentive schemes

Incentive schemes offer various advantages to the employer, including :

- increased production due to less time being wasted
- motivated work force due to the increase in earnings
- better relations between employer and employees

However, there also disadvantages, including :

- the administrative costs involved in applying the scheme
- disputes are common if the scheme is considered unfair
- can lead to poor quality of work if not properly supervised

Training programmes

With the construction industry becoming increasingly complex, it is essential that site staff and operatives receive sufficient and appropriate training in relation to the tasks they are required to undertake.

This training is required for a variety of reasons :

- increased mechanisation - new plant
- specialised construction methods - new techniques
- use of materials and components - new products
- changes in employment / safety rules - new legislation

Most trades operatives will have either served an apprenticeship or received training in particular skills at a college of further education or through a company training scheme.

However, in addition, all site operatives should receive sufficient training to enable them to understand the roles of the different trades in order to improve overall co-operation and reduce wastage of time and materials.

Although training and experience enable operatives to gain promotion to technical or supervisory positions, not all employees want to do so. A company training programme should not only look at the promotion of employees but also, ideally, should take account of personal development by providing them with a variety of interesting work which should increase motivation and thus production rates.

Assessment

Labour Management

Questions 1 to 5 - Select the correct response for the following questions :

1. Which of the following methods of performing the works gives the main contractor greater control over production rates and standards of workmanship.
 - A using directly employed labour
 - B using a subcontractor for materials only
 - C using a labour only subcontractor
 - D using a subcontractor for labour and materials

2. The perception of many workers is that the construction industry suffers from the 4 D's. Which of the following is **NOT** one of the 4 D's?
 - A dirty
 - B demanding
 - C delightful
 - D dangerous

3. Selection of operatives will include consideration of a number of factors. Which of the following would **NOT** be considered.
 - A whether the applicant has the necessary skill levels
 - B whether the applicant has lived locally for at least three years
 - C whether the applicant has good references from previous employers
 - D when the applicant will be available to start work

4. If an incentive scheme is to operate successfully many factors are involved. Which of the following would **NOT** be a factor to be considered?
 - A agreement of targets
 - B simple to understand
 - C fair operation
 - D managers bonus

5. Training is required for a variety of reasons. Which of the following is **NOT** a normal reason for training?
 - A introduction of new plant / machinery
 - B introduction of new construction materials / techniques
 - C introduction of new managing director
 - D introduction of new employment / safety legislation

Questions 6 to 10 - Decide whether each statement is True (T) or False (F).

6. i) One disadvantage of using directly employed labour is that it is difficult to provide continuity of employment from one contract to another.
ii) Labour only subcontract workers tend to show less respect for the materials they use and wastage must be closely monitored.

Which option best describes the two statements?

- A i) T ii) T
B i) T ii) F
C ii) F ii) T
D ii) F ii) F

7. i) When employees are engaged, the company must take care to satisfy all the requirements of current legislation, including that related to discrimination.
ii) It is important that the performance of new operatives is assessed as soon as possible after starting, to ensure their suitability to the job specification.

Which option best describes the two statements?

- A i) T ii) T
B i) T ii) F
C i) F ii) T
D i) F ii) F

8. i) If a time clock is used on site it is impossible for operatives to cheat by clocking each other in or out.
ii) The time spent by operatives on different activities is recorded in order to determine bonus payments.

Which option best describes the two statements?

- A i) T ii) T
B i) T ii) F
C i) F ii) T
D i) F ii) F

9. i) A target hours bonus scheme works by agreeing a certain bonus rate related to a reduction in the number of hours needed to complete an operation.
ii) The target unit rate type of bonus scheme works by agreeing that the work will be completed by a certain date.

Which option best describes the two statements?

- A i) T ii) T
B i) T ii) F
C i) F ii) T
D i) F ii) F

10. i) Incentive schemes do not lead to less time being wasted.
ii) A company training programme should not include personal development.

Which option best describes the two statements?

- A i) T ii) T
B i) T ii) F
C i) F ii) T
D i) F ii) F