

Role of hr in construction industry



Carry out and report on an analysis of the theoretical and practical issues of a current HR issue of your choice.

“ Human Resources are vital to all industries, including the construction industry” (Kleiner & Yankov, 2001). “ The sector employs almost two million people in the UK and contributes in excess of 6 percent of total GDP” (Dainty et al. 2007). The Construction Industry’s workforce is extremely diverse and includes different types of individuals working within construction such as; unskilled, skilled workers, craft, managerial roles and administrative workers. According to research, maintaining and attracting the right people within the construction industry is a priority due to the scarcity of both skilled people and experienced managers. “ In recent years, the UK has relied heavily on foreign labour as a means of addressing skills shortages in certain industries and filling positions that local people are reluctant to take.” (Personnel Today, August 2009) Moreover, “ it is the project-based nature of construction that presents one of the most serious challenges to the management and organisation of the people employed.” (Dainty et al. 2007).

The current immigrant law and amended Guidance for Employers on Preventing Illegal Working in November 2010 highlights certain issues that HR must overcome when trying to attract migrant workers for the job vacancies. Furthermore, with the job searching task becoming increasingly difficult and new employment legislation acts that have been enforced by the government, there are many diverse challenges that this will create for recruitment. Moreover, construction HR also needs to “ establish whether or not job applicants will be able to carry out a physically demanding job, without breaching provisions in the Equality Act 2010.” (XpertHR, 2010)

Furthermore as “ an increasing raft of anti-discrimination laws continue their jack-hammer assaults on discrimination in the workplace”, (Personnel Today, May 2004) the construction industry finds itself at a crossroad with long-standing traditions of sexual and racial barriers. Hence, in the coming paragraphs the above laws will be discussed in further depth to give a better understanding of the challenges of HR in the Construction Industry during recruitment. There are no ethical issues in regards to my assignment as is it entirely derived from secondary research; therefore no impairment has been caused when carrying out my research for this assignment.

Construction industries need to ensure that they do their research thoroughly and efficiently. The first step is to target their advertising correctly, using the right forms of media towards the right target group for the vacancy. The selection techniques for recruiting are essential, as they need to filter the people that are not right for the job so that they can find the right person, which makes the task less complex. As mentioned above, there are diverse roles within the construction industry from experienced professionals, to unskilled workers. This means that there will be different techniques which need to be understood when searching for new applicants, for example, when searching for managers there will be a significant difference in searching for unskilled workers in comparison to managers. Recent research suggests that the main difficulty for recruitment was “ the lack of necessary specialist skills” (CIPD Report, 2010). This enforces the need of selecting and recruiting the most efficient people right, first time round. Essential and extensive research is key when recruiting. Therefore, in the construction industry when searching for specific people to fulfil roles,

managers may read specific construction magazines or look on specific websites, and where as unskilled workers may look in any type of media such as local newspapers. From this, managers and HR need to ensure they advertise using the right method of media to fill the vacancies. There are diverse ways of professional and non-professional recruitment, both of which differ from one another and need to be used in the right way. In order to create success within these industries, there needs to be a fine balance between keeping the industries interests in mind as well as employees' rights and welfare.

“ The migrant workforce has been one of the cornerstones of the UK economy for some time now and the engagement of migrant staff has proved to be the only method by which skill shortages are in construction.” (Personnel Today, December 2006) Therefore it is important that HR implement effective policies and procedures in order to successfully deal with the legal issues that are a part of recruiting migrant workers into the industry. On the 30th March, 2006, The Immigration, Asylum and Nationality Act 2006 officially gained Royal Assent. This introduces new civil penalties scheme which talks about the legal actions employers may face if employing illegal workers and knowing of the legislations that have been introduced. Such actions include; fines and the possibility of prison sentences of up to two years depending on the tribunal hearing and the conditions involved.

With the greater risks of employers being exposed to greater penalties for employers employing people who do not have the right to live or work in the UK, it is therefore a requirement and a must that all employers and recruitment within any specific organisation are made aware of the current

legislations and the actions to be taken if not followed. The construction industry, being a project based industry employs a lot of contractors and agency staff in order to meet tight deadlines. This can create further risks for the employer if he/she does not check the documents of the employee to ensure that they are a suitable candidate for the job as well as the fact that they have the right to work in the UK. Even though the manager has a simple intention to recruit for a short period, a group of employees in order to get the job done in the time constraint. Employers will be at future risks if they do not check properly about the details of the employee being recruited.

The HR challenge in the construction industry is the risks of “ claims from migrant workers who feel that they are being directly or indirectly discriminated against.” (Personnel Today, December 2006) Under the UK employment law, migrant staffs who are employed by an organisation are able to look to the same as the other employees. In addition, Construction HR also faces tension within the existing workforce due to an incursion of migrant employees within the industry. “ It is becoming increasingly common for some employers to favour migrant workers” (Personnel Today, December 2006) and run the risk of losing other employees. They tend to favour migrant workers due to the skills which they are able to bring into the industry which are otherwise missing. However, this change in the workforce can lead to future conflict and also lead to a greater risk of harassment, and discrimination against the migrant employees. To overcome these challenges, Construction HR must ensure they have effective disciplinary and grievance policies to deal with these issues as and when they arise.

Health and safety should also be a major concern for all employers in any industry but mainly in the construction industry. New provisions in section 60 of the Equality Act 2010 (which came into force on 1 October 2010) “ restrict employers from asking specific health-related questions prior to making an offer of employment to a job candidate.” (SPS, 2011) Employers that disregard this act and thus ask candidates questions about health, whether on the application form, or during an interview process could be liable for disability discrimination by a candidate whose job application was made unsuccessful. Therefore the challenging task for the employer will then be to prove that the reason the particular individual was not recruited was not related to their disability.

Construction work is a physically demanding job, and hence adds pressure to HR when ensuring that the right people are recruited for the job especially when employers have to avoid asking health-related questions prior to making an offer of employment. One of the ways, HR can ensure efficient recruitment is to use exceptions to the general rule against asking health-related questions. One of these exceptions applies in which asking relevant health questions are necessary for the purpose of the job in order to establish whether or not an individual will be able to carry out a function that is critical to the job role. For example, when the HR of a construction company is recruiting scaffolders, HR can ask questions to the prospective employee about their health or disability on the application form or at the interview stage if the questions relate specifically to the applicant’s ability to climb ladders and scaffolding to a specific height, which in this case these specific questions relate to the main duties within the job role.

“ The UK Construction industry has the highest female unemployment rate out of all the major European Union countries, according to the government’s Women and Equality Unit.” “ Of the two million or so workers in construction, only around 190, 000 are women”. (Personnel Today, 2006). With fast-changing demographics and the change in the Equality Act 2010, the requirement of meeting a diverse workforce is a must. Recruiting female employees is a challenge that construction HR currently faces. To ensure that the Industry comply with the law, Construction companies’ HR departments are working with the Construction Skills council. The council CITB-Construction Skills argues that “ encouraging women into the industry is good business sense. Construction needs 87, 000 new recruits each year”. (Personnel Today, October 2006) and the CITB-Construction Skills “ need to fill those jobs with people from all backgrounds, rather than the labour pool of white men who traditionally dominate the workforce.” (Personnel Today, October 2006). Construction HR can also offer female recruits and university students with an opportunity to experience the job through a six-week trial or placement to encourage more females to work within the industry.

Moreover, HR faces the challenge of recruiting younger people in many industries including the construction industry, as “ research by the Chartered Institute of Building has shown construction managers aged over 60 are the fastest growing demographic age group in the sector”. (Personnel Today, May 2009). “ The Equality Act 2010 makes it unlawful to discriminate against employees, job seekers and trainees because of their age. This includes direct and indirect discrimination, harassment and victimisation.” (Vizual HR, 2011). There are positive attributes that the younger employees can bring

with them and above all, employers see that in young people employees, they can train, develop, and grow them in the ways the employer wants. HR can encourage young people to apply for vacancies and need to ensure that job advertising includes the relevant media that the younger audiences are most likely to see or use. Another possible way to ensure that young people are recruited is by focusing on young people who have recently graduated from university, offer an apprenticeship or offering part time work to those at university. The new skills and techniques that young people are learning on a day-to-day basis, by employing them not only gives them a chance to put the theory they have learned so far into practice but to also help the company to get their project complete. As a result, the main challenges facing HR is balancing the age legislation requirements with the need to recruit younger staff as well as retaining the knowledge of older workers, this is where the challenge lays. Therefore, HR “ needs to proactively attack biased company attitudes, and train all managers at all levels of the business to be aware of age discrimination.” (Personnel Today, September 2006) Using this technique ensures that the company is kept up-to-date and aware of the legislations and that they do not have a single-minded point of view when it comes to recruiting.

Furthermore, another challenge of HR within the Construction Industry is Race discrimination which is part of the Equality Act 2010. “ Race is another area in which the construction industry has been slow to embrace societal change.” (Personnel Today, 2004) Race discrimination is aware in many industries and has been for many years, and can affect an employee’s morale and overall performance at work. Race discrimination occurs when a

person is treated rather unfairly compared to others because of various reasons, these can be; a person's race, skin colour, nationality or their ethnic background. HR needs to ensure that they recruit diverse people from diverse backgrounds, and ensure they tackle any situations that arise as a result of Race Discrimination within the company. In the construction industry, research has shown that there is a common strategy to recruit, using diverse methods such as recruiting in teams, by word of mouth, by family and personal contacts and also through poaching. Poaching is a common method used in the construction industry, which can help to gain competitive advantages over rivals. This involves a technique of being able to attract competitor's employees to leave rivals and join their company. In many cases this has been a useful technique, which is still relatively common within the industry and helps to complete projects in a given time constraint. " Often, people who are thought to work well together because they have a common background or culture may be asked to recruit family and friends as co-workers." (Personnel Today, 2004) In addition to this another technique that can be used is to ensure that managers are given the right training in order to promote fair and equal recruitment.

As mentioned by Kleiner and Yankov, that there is a shortage of skilled workers. Thus, recruitment need to ensure that the workers that have the key skills remain committed to the company. However with all of the new legislations being introduced last year and during this year, not only is it a necessity for managers and HR to ensure recruitment is done properly, but to ensure that they obtain the right people using the right techniques. By ensuring laws and legislations are followed and the manager keeps up to

date by regular news feeds or even training, is a key factor which makes recruitment less of a challenge. This assignment has helped to address the theoretical and practical issues that can occur within the construction industry following these legislations. In addition, it has discussed the diverse methods and implications that the new employment legislation acts can have upon the construction industry and the possible solutions that can be useful for HR in recruitment. These legislations have been created in order to help the government tackle problems and provide solutions that have derived from employment in previous years. Employers need to ensure that they follow through with these legislations in the relevant manner or face the consequences in following unlawful acts. In some industries, there are negative reactions of employment legislation which therefore leads to non-compliance. However, the legislations that are created are there to be followed and thus non-compliance of an industry will therefore have consequences leading to tribunal hearings and penalties. As a result, trying to evade following the regulations is hard to do, hence the only way forward for construction industries and HR is to follow and find new ways of tackling the tasks that lay ahead and making them easier for the industry to follow.