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PERSONNEL MANAGEMENT IN THE BUILDING INDUSTRY

Introduction

The construction industry is a very specific area of activity that – due to the differences within construction and construction-related activities in its various subfields, such as ground construction or transport construction – requires a specific approach in order to ensure proper operation of the personnel management department in every construction organisation or company. Thus, to a certain extent, personnel managers not only need to apply the human resources know-how, but at the same time they have to use their analytic thinking as well as master the skill of predicting future developments, i.e. of foreseeing with a high amount of probability the future needs in the field of personnel management and the ways of meeting such needs. We are speaking here about large and medium-sized companies whose strategic planning includes long-term contracts on construction works. In addition to the monitoring of phenomena associated with corporate personnel management processes, personnel managers have to follow the general developments in the construction industry, searching for any possible future deviations so as to be able to react quickly (including the recruitment or dismissal of employees). It means personnel managers of construction companies have to collaborate with the in-house sales and production departments, where future construction contracts are negotiated.

1. Personnel management and its efficiency

Personnel management consists of two key components: practical implementation of human resources management measures and specialised scientific research that deals with the question of how people who search for ways of achieving their own objectives, that are not necessarily identical with the objectives of the organisation or its managers, can be useful to organisations.

Among others, personnel management may be defined as a discipline that continuously engenders innovative ideas using scientific findings and knowledge taken from other disciplines, such as the enterprise management theory, organisation psychology and management, law etc.

For several years, personnel management has experienced enormous internal dynamics that is reflected in particular in new concepts, in the new content of old concepts and in new procedures including the apparent transformations of industrial relations that are becoming more and more flexible with the emergence of new IT based tools. On one hand, such dynamics can be perceived as a positive phenomenon; on the other hand, it shows some adverse features. What may be considered positive is the high level of diversity of the new findings taking the form of proposals and methods people come up with. Another positive effect is the swifter response to the needs of markets, companies and employees. What can be seen as a negative side is the latent risk of lack of professional approach as well as certain incongruity in the field of acquisition of specific knowledge that could be even seen as jackleg and desultory and may result in inadequate responses to new situations companies may be confronted with¹.

Personnel management strategy is a key strategy of an organisation. Its goal is to formulate long-term complex goals for human resources management in order to make the achievement of the organisation objectives feasible. Personnel management strategy must be devised in a way allowing a swift response to any changes of company intentions and strategies and, last but not least, it must be able to meet specific requirements of the company it represents. As a rule, personnel management strategies are based on so-called strategic planning, where individual strategic plans are rated in terms of their priority by means of an explicit identification of their relation to personnel management strategy².

Personnel management strategy deals with the target structure of human resources and resulting economisation measures within the composition of the company's human resources. As a rule, the strategy is developed in order to formulate the target condition of the specific company or to specify individual time phases of its development. The personnel strategy should provide answers to the following questions³:

- Which employees are considered to be valuable for the company from the point of view of future requirements and what should be their field of qualifications?
- What should be the extent of investments into the employees' development?

¹ H. Kasper, W. Mayrhofer, *Personální management Řízení organizace*, Linde, Prague 2005, p. 340.

² J. Stýblo, J. Urban, M. Vysokajová, *Personalistika*, Wolters Kluwer, Prague 2011.

³ R. Kocianová, *Personální činnosti a metody personální práce*, Grada Publishing, Prague 2010.

- Are the present qualifications of the current company employees adequate with regard to specified development goals?
- Is the company potential exploited in an optimal way and is its development adequate?
- Does the company invest adequate funds in human resources development and does it monitor results?
- Is the company's performance level high and efficient enough to allow for increase in the rates of profit, productivity, quality and customer services?
- Are individual spheres of activity such as structures, processes and systems of the organisation able to cope with challenges to be encountered?
- Does the company exploit its HR potential efficiently and with an emphasis placed on performance?

Taking into account their nature, corporate personnel strategy types have to be able to specify and define individual intentions that correspond to the defined development trends adopted by companies. Their specific form is determined by the following variables⁴:

- size of the company in question (small, medium-sized, large),
- implemented personnel management strategy and its objectives,
- personnel strategy types and emphasis on individual fields of activity,
- personnel strategy structure,
- overall rating of the organisation taken as basis for the development of personnel management strategy.

As the above variables indicate, the key areas of the development of personnel management include the following items⁵:

- corporate labour force formation,
- employee development,
- employee remuneration,
- employment relations.

Primarily, personnel management strategy builds up on the corporate strategy as its integral part. It is developed by the corporate strategy defining clear objectives and trajectories as well as future objectives of the company's development. Personnel management strategy defines the personnel management policy including, but not limited to, the best possible methods of their recruitment, exploitation and development as may be necessary for the achievement of the strategic objectives of

⁴ Ibidem.

⁵ Ibidem.

the company⁶. Taking such starting points into account, personnel strategy has to set forth a straightforward scenario to achieve the defined objectives. The following questions have to be answered when formulating individual personnel management strategies⁷:

- Where are we at the moment?
- When do we want to achieve the defined objectives (breaking them down to short-, medium- and long-term objectives)?
- What methods should be used to achieve these objectives?

2. Tools used to measure and improve personnel management efficiency

Six different groups of approaches to personal management may be distinguished based on findings published by various authors. Such classification always involves a certain simplification as compared to the original descriptions; however, it provides a good insight in what is considered the most relevant in each group. Moreover, particular groups of approaches point out to specific philosophic grounds and prevailing trends used to address given problems. They also draw attention to a specific type of efficiency enforcement of personnel management and economisation⁸.

Pragmatic and instrumental approach

In the strict sense, this approach is typical of the exploitation of corporate economic methods and tools in order to push through the desired company personnel management objectives. A typical feature of this approach is the planning of personnel management activities and translation of personnel-economic facts into accounting values, for instance through the use of controlling methods in recent years. Another typical feature is that this approach largely exploits practical tools of personnel management such as site description, planning future labour needs or planning shift patterns⁹.

⁶ M. Šikýř, *Personalistika pro manažery a personalisty*, Grada Publishing, Prague 2012.

⁷ R. Kocianová, *op.cit.*

⁸ H. Kasper, W. Mayrhofer, *op.cit.*

⁹ *Ibidem*, p. 341.

Behavioural approach

This approach focuses on the analysis and study of human behaviour, especially at work. Behavioural theory of personnel management together with management theory have contributed since the 1970s to a substantial extension of subjects of economic studies by accepting the possibilities offered by psychological modelling and empiric research of human behaviour. In terms of personnel management, it focused primarily on the American theory of organisational behaviour and related topics. What is typical of this approach is the concentration on motivation as well as on the management and behaviour theory within working teams¹⁰.

Political approach

This approach primarily compares the corporate personnel management strategy to the overall corporate policy strategy as a whole and harmonises them. On the corporate level, it also addresses conflicts between the interests of employers and employees represented by the company's trade union council. Research issues defined in such a way have been in the heart of a long-term discussion concerning functions and organisation of company industrial relations as well as the legislation governing the participation of parties in the decision making process. So called micro-policy is another typical feature of the political approach, and it means viewing a company as a battlefield where individual groups fight for their particular interests¹¹.

Working, personnel-economic approach

This approach builds up on state of the art microeconomics methods. Its typical features include modelling and study of professional behaviour within organisations by means of economic (econometric) methods. A vital objective is the formulation of specific recommendations concerning the set up of contractual terms and conditions that are set forth for the definition of efficient working behaviour and operation of the company in the framework of personnel management. This is the model where the right incentives are set focusing on the inducement of the desirable behaviour patterns¹².

¹⁰ Ibidem.

¹¹ Ibidem.

¹² Ibidem.

Viewing the issue from a different point of view, we can add two more approaches to the four stated above. They have been distinguished due to the fact that such approaches may be classified based on the level of perception of how easily human behaviour can be influenced by personnel management.

Linear-directive approach

This approach is based on the fact that the individual and collective behaviour of employees may be efficiently controlled by the tools available to personnel management. What is vital is the application of the “right” tools and incentives. The meaning of the word “right” or perhaps “adequate” varies in individual cases being dependent in a varying extent on one of the four approaches referred to above. This approach is metaphorically compared to the operation of a “trivial machine”. The approach envisages that a working human being behaves as a machine responding to certain control impulses in a way that can be anticipated and he/she is able to work only provided they have a supply of energy¹³.

Systemic theoretical-constructivist approach

This approach completely differs from the previous one, where a worker is an object of the management efforts and application of tools used by the management. It is based on the assumption that an employee cannot be influenced and managed. The person is believed to be in principle an autonomous unit that is resistant to his/her environment trying to control him/her. In this way, he/she creates the reality as a product of his/her own behaviour and decides whether he/she will register and accept any such attempts to control him/her and what his/her response so such attempts will be, if any. According to von Foerster, this approach is compared to a non-trivial machine’s behaviour¹⁴.

I personally identify myself with the first approach, i.e. pragmatic and instrumental. Nevertheless, attention should be paid to other approaches too, as efficiency is an integral part of the economisation process that may take place at all levels of the company’s operation; and the core objective of economisation should be mainly reduction, efficiency improvement and quality improvement. That is why it could be of some interest to follow the relation between personnel controlling, personnel audit and economisation in order to improve personnel management efficiency.

¹³ Ibidem, p. 341–342.

¹⁴ Ibidem, p. 342.

3. Characteristics of specific problems of personnel management in the construction industry

Typical features of the construction industry that significantly affect personnel management include the following:

- 1) **Seasonal nature of construction works.** The building industry depends heavily on the period when individual construction works may be carried out. This is why the volumes of construction work experience a significant decline in winter months, as the construction is suspended because the execution such work is not feasible. This affects personnel management as well as payroll policies. For the sake of their own protection, some building companies take the following measures:
 - Reduction of the permanent employees headcount – during the less-productive winter period in order to avoid the waste of funds in the form of payment of salaries and social and health insurance levies that may be so high in some cases that they could lead to the liquidation of the company. All types of companies take advantage of this model.
 - Reassignment of workers to other works – some construction companies that can afford to keep a permanent number of employees with regard to their contract portfolio address this issue by transferring workers from one line of business to another. This model is mostly chosen by large and medium-sized companies.
 - Payroll policy optimisation during the less-productive time of the year within the range of between 50 to 70 per cent as against the original amount of the wages. As long as this less-productive period lasts, workers stay at home but they know they will come back and get the previous salaries again. This model is implemented primarily by large companies.
- 2) **Spasmodic nature of the construction contract performance.** Construction companies often hand over contracts obtained following a tender to the human resources and implementation departments that start the preparations with respect to both necessary human resources and the work implementation time schedule. It means that in addition to meeting process requirements, workers with qualifications required for the given project have to be provided. However, specific problems arise when:
 - The contractor has suddenly suspended the launch of construction works – having signed the contract, the company has hired qualified workers for the specified project, complied with all technical requirements and included

the contract in its time schedule and is ready to start the manufacture using necessary production capacities reserved for the project.

- In such a case, the company finds itself in a dire situation, as despite the fact that it made enormous efforts in order to win and prepare the tender, the completion of the project is not sure. Possible factors generating such problems include the following:
 - force majeure (EU funds payment rejected, defective tender proceedings),
 - lack of funds on the part of the customer,
 - other priorities on the part of the customer.
 - Workers with a limited or specific range of specialisation are supposed to be reassigned to other projects – in some cases, it may be very difficult to have properly qualified staff available for a certain project just because of their scope of qualifications and professional experience. Should a project implementation be delayed, the affected company has to cope with two variables:
 1. Is the worker in question to be paid his/her salary as long as the project implementation is suspended while having him/her transferred to another job not corresponding to his/her qualification if acceptable to him/her?
 2. Is the working contract with the expert worker to be cancelled until the launch of the works on the project, at the risk that the expert worker may sign a contract with someone else?
 - Highly specific requirements to labour – it is extremely difficult to specify any general requirements workers have to meet with regard to the continuously changing nature of construction works to be done. Thus, such requirements are almost always dependent on the specification of construction works. The diversity management deals with the specific potential of individual workers. One of the tasks is to interconnect various skills of the staff and needs of the company. Another task is to meet requirements of a socially responsible company¹⁵.
- 3) **Required professional qualifications** of building industry workers start to become detached from the needs of the building companies due to the constant development of skills required from construction industry workers and technological progress. This is why staff have to undergo various re-qualification courses and training, due to continuously amended standards and regulations, including such professions as budget specialists or civil engineers who have to master

¹⁵ O. Němec, A. Surynek, *The Age Diversity and the Diversity Management*, in: „Journal of International Scientific Publications”. 2013. v. 7, no. 1, p. 4–11.

relevant standards and regulations as well as calculation formulas (taking into account time and specified prices) as necessary for the appraisal of construction works. Such calculation formulas are amended nearly every six months, depending on the new technologies and pricing procedures. (Two institutes, URS¹⁶ and RTS¹⁷ deal with the formulation of the single pricing policy for individual companies and the monitoring of building industry development trends).

- 4) **Building technology and system operators.** The technical eligibility of construction companies keeps evolving continuously and their activities experience constant innovation. This is where requirements concerning individual construction workers, including re-qualification needs, stem from. They are based predominantly on occupational safety, see the Decrees of the Czech Occupational Safety Authority No. 324/1990 Coll. on Occupational Safety and Safety of Technical Systems Used in the Execution of Building Works¹⁸.
- a. For a construction company to be competitive, it must re-train its employees and invest a lot of funds in their professional development.
 - b. It is equally important to keep the building equipment state of the art and implement innovative and more efficient technologies responding to the dynamic developments.

Any building company can secure its high competitiveness standard only by meeting the above requirements (i.e. paying attention to the human resources and professional equipment).

- 5) **Worsened working conditions.** The building industry is highly demanding from the point of view of the psychological resistance necessary for the performance of construction works. This is why it is important for the human resources department to develop such control mechanisms that would minimise possible losses. Construction works that might be problematic include the following:
- a. Works performed at height and vertigo – the company must always be careful to select staff who can meet relevant safety (health) criteria as well as to carry out regular checks at the construction site as required by occupational safety regulations (alcohol etc.).
 - b. Tunnels and confined space anxiety (claustrophobia) –health examination and psychological tests are needed.
 - c. Rescue of damages to environment, bad air at workplaces and its environs –health care examination programme should be applied in time.

¹⁶ <http://www.urspraha.cz>.

¹⁷ <http://www.rts.cz>.

¹⁸ Český úřad bezpečnosti práce, [online][7.9.2013] Available from: <http://www.cubp.cz/predpisy.php>.

- d. Hazardous waste handling and possibility of injury and intoxication – health care examination programme should be applied in time.
 - e. Night construction works – bad visibility, change of the night/day regime and resulting fatigue.
- 6) **Responsibility of workers performing works.** A group of construction workers representing the contractor and investor (investor's supervision) is held responsible for the implementation of the construction works¹⁹. The extent of responsibility of these people does not lie only in the inspection of the completed works and their quality, but it also includes the time schedule and heterogeneity of the given investment project and the complexity of models, designs and programmes resulting from the project documentation²⁰, as every such project is unique.
- 7) **Local dependency and variability of the project** in relation to requirements of legislative regulations. Any construction project encounters a number of complications and challenges during the time of its implementation:
- a. Stationary nature of the construction site – and the resulting need to transfer the production factors to the construction site and conditions of the project implementation at the given site:
 - Remediation works (removal of mud from a deep pond, environment).
 - Downtown building demolition (historic monuments, environment).
 - Construction works performed above a metro station (obstructing transport services).
 - Reconstruction of main transport arteries (collapse of the traffic).
 - b. Requirements resulting from the construction works – requirements with regard to technologies and materials associated with the construction project.

¹⁹ Technical supervision includes control of the building site so that the construction company complies with the technical implementation conditions and applicable laws; construction was performed well, with respect to the budget and the completion date. Technical supervision also communicates through the power of attorney with the relevant authorities. According to § 152 (4) of the Building Act No. 183/2006 Coll. „Construction of buildings financed by the public budget”, performed by the building entrepreneur as the contractor, the builder is required to provide technical supervision over the implementation of the construction.

²⁰ Project documentation is a set of two-dimensional diagrams and drawings supplemented by a text description of such elements as buildings, machinery or other tangible objects for the manufacturing and construction process. Typically, the drawings are drawn or printed on paper, but they may also be issued in the form of a digital file. Drawings and plans are primarily used in architecture, civil engineering, industrial engineering and planning. The purpose of project documentation in these fields is an accurate and clear record of all geometric characteristics of the site, machinery, buildings, products or components. Drawings may also have the purpose of presentation or orientation, and may record the previous (original) object status. The main purpose of documentation is to show the real state of the place or object, or provide enough information for builders or manufacturers for implementation of the project construction or production.

- c. Duration of the construction cycle – every construction project may be described as lengthy as any of such project may encounter unpredictable problems, for instance:
 - changes of the customer's specifications,
 - defective project documentation,
 - landslides,
 - archaeological findings,
 - flooding.
- d. Statements and positions of authorities identified as party to the building permit proceedings:
 - construction authority,
 - railway inspectorate,
 - Ministry for the Regional Development, and the like.

4. Conditions of personnel management in the building industry resulting from the implementation of certain measures

What is vital in respect of this item is the fact that almost every man likes to mingle with other colleagues and the core aspect of such relations is friendship. The following forms of working relations are taken into account:

- relations with colleagues,
- team work within the company department,
- team collaboration of departments at a specific workplace,
- team work and collaboration within the framework of the entire organisation.

According to Kourdi, the most important factor forming the engagement of the staff is equality. Even if the value of success and friendship is high, this factor may lower the engagement by two thirds. According to Kourdi, the discipline of employees is an index of the way the organisation is managed and how leadership is implemented in the everyday managerial practice.

Individual personnel managers, who, among others, deal with the needs of their employees, cannot comply with this theory, as both external and wider internal conditions are in conflict with the intentions of the long-term and continuous care for the employees and exploitation of their skills resulting from a high level of their loyalty and engagement.

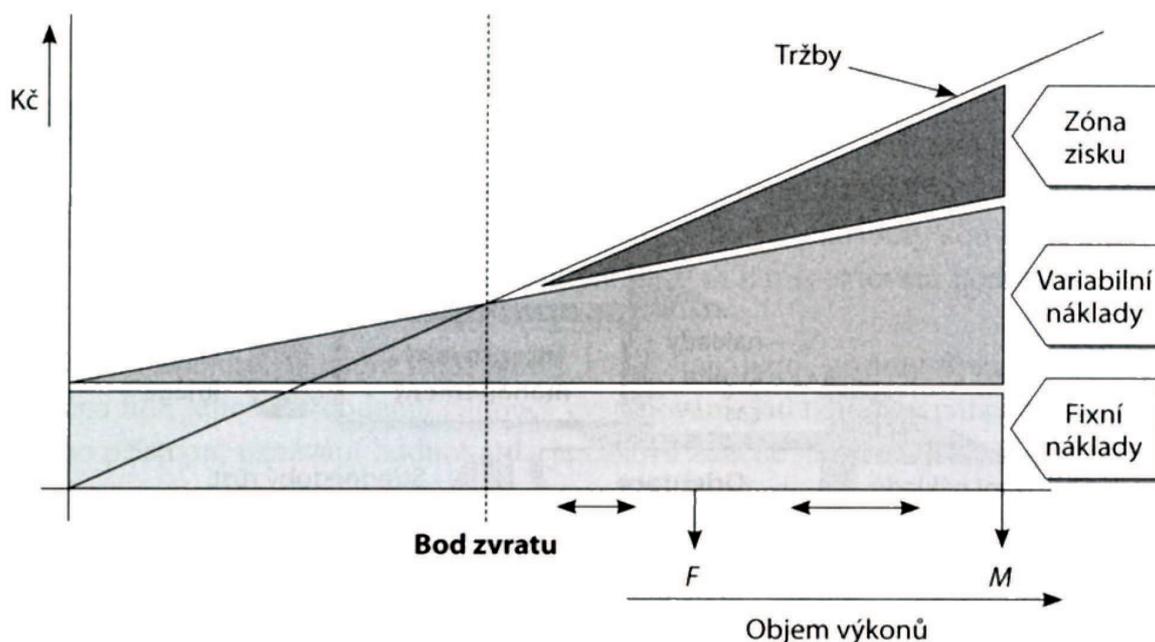
The above deviation from the three factor theory is to a large extent comprehensible in the context of the current situation, when the economic performance

of building companies is not satisfactory and some of them even record a loss. For this reason, the top management has to focus on two basic approaches for the sake of prospective prosperity²¹:

- reduction of costs through preventing situations that require the payment of various fines and sanctions, prevention of damage and losses, identification and elimination of excessive and useless costs (as a rule, overhead costs provide an ample field of activity in this sense),
- improving productivity by the implementation of measures that improve the performance of both operational and supporting units, exploitation of resources in order to increase the value of available capital, material, personnel sources and know-how.

Indices used for the evaluation of economic performance, not only in the building industry, may be various financial analysis indices. However, the interpretation of such indices is always conditional on the nature of the organisation. The turning point analysis is a source of valuable knowledge that may be used in economic considerations and survey of the sources necessary to improve productivity.

Figure 1. Turning point (profitability)



Explanatory notes: Kč – CZK, Bod zvratu – Turning point, Tržby – Sales, Zóna zisku – Profitability zone, Variabilní náklady – Variable costs, Fixní náklady – Fixed costs, Objem výkonů – Performance volume.

Source: J. Veber, *Základy moderní manažerské přístupy výkonnost a prosperita*, Management Press, Prague 2011, p. 666.

²¹ J. Veber, *Management. Základy moderní manažerské přístupy výkonnost a prosperita*, Management Press, Prague 2011, p. 665–666.

Thus, the problem of the building industry resides in the need to keep two trends balanced: the saving trend due to the economic decline of the industry and the trend of the maintenance of a good working environment at workplaces.

5. Outsourcing of personnel management services in the construction industry

The building industry outsourcing is an organisational measure in which the company specifies and puts aside individual auxiliary and supporting activities (from the point of view of the general orientation) and hands their execution over to an entity that specialises in such an area of activity. That means that the company outsources the required performance by hiring an external contractor supplying goods/services purchased in the market. The key reason for outsourcing is the effort to cut down on costs and make the entire working process more efficient. This simple definition of the outsourcing concept fully covers and characterises its content and general meaning. However, given the topic of this paper, I should specify individual reasons or situations that may induce a construction company to raise the question why outsourcing should be the right way and how it can help enforce requirements of economisation, optimisation and restructuring tasks and what is the role of outsourcing in the field of personnel management.

Reasons that lead individual building companies to outsource are basically simple: almost always they do their best to find the most economical and efficient solution leading to the competitiveness of the company. Phenomena directly affecting the implementation of outsourcing in the building industry are of double nature: a) economic and b) strategic.

The economic area, as I can unambiguously confirm based on my own experience, affects outsourcing and the economic outlook in general tends to prevail in the building industry at the moment due to the current situation of economic recession (this paper was written in 2013), as restructuring efforts combine with outsourcing of activities. Companies outsource activities that do not contribute directly to the generation of profit, such as activities associated with high costs or special activities that require a narrow field of specification or specialisation. The objective of outsourcing is primarily to reduce costs. This category includes investments, human resources and company operational costs.

Strategic level phenomena are characterised by strategic planning in relation to future intentions and topical development in time. Such a strategy should be

an integral part of the company's personnel management system. As an example of such strategic planning using outsourcing of service, I can mention the exploitation of external resources in order to gain a competitive advantage. Building companies fully outsource a part of their services and deliveries instead of doing the job on their own. The chosen contractors dispose of qualified experts specialising in various areas of supplies requested depending on current needs. This way, companies delegate problems that may result from their lack of expertise or unavailability of workers due to sickness or leave, for instance. The resulting effect is a substantial simplification of the managerial work in the field of coordination, responsibility for the development and crisis management.

Below, I present several other examples that may have an immediate impact on the implementation of outsourcing in the building industry for economic or strategic reasons:

- **Lack of necessary specialist workers.** The building company does not have the sufficient number of employees available it needs for the implementation of development project. Available options include:
 - make use of human resources agencies offering labour to be hired,
 - make use of outsourced human resources from companies, tradesmen or cooperatives that offer such services.
- **Lack of workers in the region where the project is to be implemented.** The building company does not dispose of necessary number of employees it may need for the implementation of a building project and labour market resources are exhausted at the given locality. Options available are the same as in the previous case.
- **The activity in question is not a part of the core competencies of the company.** The building company does not dispose of qualifications and technological competencies for the implementation of a specific project. A solution available in such a situation is to hire a subcontractor company that specialises in a very specific activity and can do the job.
- **Incomplete exploitation of company's permanent employees.** Since 2008, building companies have experienced quite high levels of variability of awarded contracts²² and a general change of the climate in the building industry. This is why all building companies (not only in the Czech Republic) had to proceed to restructuring and swift reduction of costs based on the optimisation or full elimination of excessive costs representing a useless load. One of core optimisation measures was the reduction of the number of employees in certain trades

²² Ensuring construction contracts (private–state) for future periods. Usually, 1.5 years ahead.

that had not been fully exploited. The outsourcing-based solution arises from the following situations:

- It is more advantageous for the company to have a specific activity outsourced for economic and practical performance reasons (here I have in mind for instance external services such as bookkeeping, company assets management, cleaning services, lecturing and the like) as such services are not needed continuously and they are not compliant with profile of the core competencies. Anyhow, they show lower work intensity and lower levels of the exploitation of staff and their qualifications.
- Human capital is of vital importance for the company. On the other hand, it can be outsourced. For instance, despite higher costs of hiring external staff for a specific period of time, it is more advantageous to lease high-cost and specialised employees who cannot be currently exploited by the company including such professions as highly sophisticated service providers, lecturers, specialists in the preparation of operations, budget specialists, specialist engineers and the like than to keep such workers as permanent company employees. Another advantage of this method is a more complex working experience including various organisations.
- **Reducing costs of marginal inputs.** Present time, due to its the lack of stability, brings attractive opportunities – residing in outsourcing of activities for marginal inputs – to the building industry. At the time being, there is an enormous pressure at the supply side of the labour market and building companies are willing to extremely reduce their bidding prices. The building companies themselves outsource some works and they do it several times during the implementation of the project. Doing so, they have a better chance to compare competitive offers, choose the most advantageous ones and minimise their costs of marginal inputs.
- **Third party involvement method.** This method is used prior to the beginning of construction works and it consists in the selection of subcontractors who offer certain performance to the customer based on the delivery of service, material and the like. Finally, it means that the contractor's company:
 - 1) prepares a list of subcontractors who will participate in the project together with the contractor's company,
 - 2) the contractor's company will sell parts of the contract to several other entities,
 - 3) the contractor's company will sell the entire contract to another company.All of the above options result from the current situation of the building industry. The prospects are unsure and savings play an important role. A solution may be the

optimisation of individual capacities and, vice versa, if necessary, their upgrade by means of the activation of other capacities in the form of sub-supplies. This model is used by a number of building companies. After being awarded a contract in a tender, they assign a part of the contract to subcontractors who meet their requirements and do a part of the job for the contractor.

A disadvantage of outsourcing is the fact that it takes place in the same severe economic conditions, where individual subcontractors come up with inadequately low prices in order to just get the job (no profit, only to get the job) and they are willing to accept the responsibility for the project implementation. This is convenient for many companies, as they have understood that inadequate fixed costs associated with permanent employees may be a considerable burden in the current turbulent times.

The dependency on unreliable and costly contractors is a constant phenomenon in the Czech building industry. We could even state that the current situation is even more complex than at any given time in the past. It is true that there is an enormous pressure because of the supply of building companies searching for contracts. On the other hand, such contractors are forced to accept any job in order to secure their cash flow necessary to cover costs of other building projects. Finally, it often happens that a contractor suspends works in a key phase of the project implementation and the customer has no choice but to accept the requirements of the subcontractor (e.g. increase the value of the contract, pay the invoices earlier). For instance, this may happen shortly before the date of a supply to be executed by another trade (technological supplies, follow up construction works and the like). The subcontractor threatens that they will withdraw from the contract (which could finally mean that the project would be paralysed). This method is currently very popular and, let's admit it, effective. That is why it is important to take into account not only the price when outsourcing a contract. One should pay attention to the quality, references and records of the subcontractor as well.

According to Armstrong, there are three reasons to outsource some HR services using external organisations:

- 1) cost saving – the HR costs will be reduced as the services are cheaper and HR employees can be dismissed;
- 2) concentration of the HR staff's efforts – HR department staffs are not distracted from their key responsibilities that form up the goodwill of the company;
- 3) acquisition of more specialised services – the outsourcing method may provide the know-how that was not available earlier on.

On the other hand, a disadvantage is the full dependency of the company on the supplies of services from suppliers who may escalate their financial requirements and the decline of ethics.

Benefits of outsourcing may bring, but need not necessarily, include the following:

- The company will become more flexible (improvement of the quality of production and services and “free hand” in terms of economy).
- The company will make its internal activities more efficient (elimination of bureaucratic restrictions).
- The economic performance of the company will improve (the ratio between costs and revenues).
- Outsourcing will be a contribution for the company and it will not affect its corporate culture (the company will select a portfolio of services to be outsourced).
- Outsourcing will not disturb the links between the core competencies and functional links (research, development, marketing).
- The output of outsourcing for the company will be higher efficiency, better position in the market and competitiveness (flexibility).
- Transparent and accurate planning of maintenance and development costs.
- Reduction of total management and coordination costs, elimination of hidden costs.
- Reduction of investment costs that could be converted to operational costs.
- Transfer of risks to the contractors, in particular prevention of emergency situations.
- Considerably more flexible response to new requirements and implementation of new technologies.
- Continuous availability of various specialists with no need to provide for their development.
- Simplification of conditions for mergers and reorganisations.
- Maintenance of the state of the art technological platform without the need to invest.
- Guaranteed quality and standard of services.
- Cash flow in case of sales of assets.

Disadvantages the outsourcing may bring, but need not necessarily, include:

- Risk associated with the definition of the scope of services to be outsourced.
- Need to trust and rely on the other party.
- Loss of expert resources in case of major outsourcing scope.

- Incapability to meet liabilities (lack of know-how) in case of full dependency on outsourced services and the termination of the contract (loss of outsourced staff).

Outsourcing imperatives associated with company management, e.g. appraisal of company assets appraisal, may be defined in the following areas (Stýblo, 2010):

- a philosophy based on mere reduction of costs cannot be a strategy,
- details on what outsourcing is expected to offer in the following areas:
 - quality standard, flexibility, production,
 - position relative to competitors – competitive situation,
 - productivity, costs, revenues.

Conclusion

The construction industry is very demanding in terms of personnel management, as it has to deal with special requirements stemming from the employment area. Such special features of the building industry include: the seasonal nature of the building works, spasmodic nature of works on individual projects, required qualification of workers in the building industry, building technology and operations of systems, requirements put on individual workers and their additional training in particular in the field of occupational safety, worsened working conditions, high level of responsibility of workers in relation to working procedures, local conditions and variability of the project with respect to requirements of legislative regulations.

The problems of personnel management efficiency in the building industry can be hypothetically solved, if the company succeeds to cope with and optimise two conflicting tendencies, as contained in another hypothesis. The issue of the efficiency of personnel management is addressed in the framework of sophisticated personnel management systems that include methodically sophisticated procedures and inspection mechanisms. However, rather stable conditions are good for the implementation of the above. As for the building industry, conditions are rather variable in time, though. Therefore, such conditions are logically associated with flexible personnel work systems. Finally, the challenge is to adapt the personnel management system efficiency to the variable environment and make the management of building industry personnel flexible.

Personnel management in the building industry

The aim of the text is to present various approaches towards personnel management in the building industry. The difference in the analysed approaches is partially caused by the fact that sectors within building industry also differ substantially. The paper is divided into five sections dealing among others with personnel management and its efficiency, tools used to measure and improve personnel management efficiency and characteristics of specific problems of personnel management. The principle methods of inquiry used in the text include literature study and case study. The author stresses the fact that construction industry is demanding in terms of personnel management, as it has to deal with special requirements stemming from employment area, including: the seasonal nature of the building works, spasmodic nature of works on individual projects, required qualification of workers in the building industry, building technology and system operations. The author concludes that due to constantly changing environment the building industry uses flexible personnel work systems and that the challenge is to adapt the personnel management system efficiency to the variable environment and make the building industry personnel management flexible.

Keywords: construction industry, human resources, personnel management, efficiency

La gestion du personnel dans l'industrie de la construction

L'objectif de ce texte est de présenter les différentes approches de la gestion du personnel dans l'industrie de la construction. Les différences dans les approches analysées sont causées en partie par le fait que les secteurs de l'industrie de la construction diffèrent sensiblement. Le document est divisé en cinq parties portant entre autres sur: la gestion du personnel et son efficacité, les outils utilisés pour mesurer et améliorer l'efficacité de la gestion du personnel, les caractéristiques des problèmes spécifiques de la gestion du personnel, les conditions de la gestion du personnel dans l'industrie de la construction résultant de la mise en œuvre de certaines mesures, l'externalisation des services de gestion du personnel. Les méthodes de recherches principales utilisées dans le texte comprennent l'étude de la littérature et l'étude de cas (République tchèque). L'auteur souligne que l'industrie de la construction est complexe en termes de gestion du personnel, car elle doit faire face à des exigences particulières dans le domaine de l'emploi, y compris: le caractère saisonnier des travaux de construction, la nature "spasmodique" des travaux sur

des projets individuels, les qualifications requises des travailleurs dans l'industrie de la construction, la technologie de la construction, les exigences posées sur les travailleurs et leur formation supplémentaire en particulier dans le domaine de la sécurité au travail, l'aggravation des conditions de travail, le niveau élevé de la responsabilité des travailleurs en matière de procédures du travail, les conditions locales et de la variabilité du projet pour respecter les lois locales. L'auteur conclut que, en raison de l'évolution constante de l'environnement de l'industrie du bâtiment, elle utilise les solutions flexibles dans la gestion du personnel. Le défi est d'adapter l'efficacité du système de gestion du personnel à l'environnement variable et de rendre la gestion du personnel dans l'industrie de la construction flexible.

Mots-clés: l'industrie de la construction, les ressources humaines, la gestion du personnel, l'efficacité

Управление персоналом в строительстве

Цель текста состоит в представлении различных подходов к управлению персоналом в строительной индустрии. Разницы в анализируемых подходах частично обусловлены тем, что секторы строительной промышленности существенно отличаются друг от друга. Статья включает в себя пять частей, посвященных, в частности, управлению персоналом и его эффективности, инструментам используемым для измерения и улучшения эффективности управления персоналом, и характеристике конкретных проблем связанных с управлением персоналом. Основными методами исследования, используемыми в тексте, являются изучение литературы и метод кейсов. Автор подчеркивает факт, что строительная отрасль является затратной с точки зрения управления персоналом, так как она связана с особыми требованиями в сфере занятости, т.е.: с сезонным характером строительных работ, скачкообразным характером работ по индивидуальным проектам, квалификациями работников в строительной индустрии, строительных технологиях и функционировании систем. Автор приходит к выводу, что в связи с постоянно меняющейся средой строительная индустрия использует гибкие системы работы персонала, а задачей становится адаптация эффективности системы управления персоналом к переменчивому окружению и сделать управление персоналом строительной промышленности гибким.

Ключевые слова: строительная отрасль, человеческие ресурсы, управление персоналом, эффективность