

CONSTRUCTION PERFORMANCE MANAGEMENT

(ANALYSING TECHNIQUE ON SITE FOR SKILLATION)

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Abstract: The Performance management in construction industry helps the economic growth of nation and also improves the infrastructure development. Performance management is a continuous process of identifying, measuring and developing performance and objection to the organization's overall missions and goals.

Keywords- construction management, AEC Analysis technique, Construction performance.

INTRODUCTION

The construction industry is virtual for the development of economic growth of nation. The construction industry is not only a source of direct employment, but is also an industry that contributes to a wide range of projects and operations. In the construction industry's present scenario, the systematic ways of performance management have influenced many construction firms, government sectors, public and private clients and other project stakeholders.

CONSTRUCTION MANGEMENT

A construction management involves many kinds of jobs, activities and functions. They are interrelated. A project starts at one specific moment. It requires labor, materials and equipment. The effective handlings of these enable the project to be completed quickly and economically maintaining standards. A successful completion of a project requires up to date knowledge of construction cost, skills in negotiations, ability in organizational planning, and proficiency in accounting Procedures, experiences in men and materials management, safety etc.,. Hence, any project need proper planning programming and economic, efficient and quick execution. The construction industry is statistically one of the most hazardous occupations in this country, and ranks low in safety performance among the industrialized countries of the world. Safety in the construction industry has always been a major issue. Wherever reliable records are available, construction is found to be one of the most dangerous on safety and health criteria. Though much improvement in construction safety has been achieved, the industry still continues to lag behind most other industries with regard to safety. In developing countries, safety rules usually do not exist; if any exist, the regulatory authority is usually very weak in implementing such rules effectively. Further, work hazards at the construction workplace are either not perceived at all, or perceived to be less dangerous than what they actually are.

DEFINITION OF PERFORMAMANCE MANAGEMENT

An overview of performance management

Performance management is the process of planning, implementing, monitoring and improving the efficiency and effectiveness of the organization, its agencies and its internal units and individual staff . The objective of performance management is to improve individual, team and organizational performance. An integral part of this objective is the establishment of management accountability for Equal Employment Opportunity (EEO) and Affirmative Employment Program (AEP) practices and principles.

Performance Evaluation and Development

The performance evaluation and development system is designed to:

- Assess past levels of goal achievements;
- Assess past levels of performance;
- Assist employee and supervisor in identifying future performance goals and objectives
- Encourage and improve communication between employee and supervisor.

Timing of Performance Evaluations

The performance evaluations will be conducted:

- After completion of the probationary period (for new employees or after transfer/promotion to a new position)
- Annually once in a quarter.
- As deemed appropriate by the department head/supervisor.

Measurement of Performance Management

Within every organization, Performance Management is a critical issue influencing all the other components of Human Resources management . It contributes to the identification, development and retention of high-potential employees and key contributors. The current economic environment is characterized by downsizing, mergers and acquisitions, and cost-cutting through consolidation and centralization measures. Performance Management can strongly influence these corporate events and can mean the difference between their success and failure. In a nutshell, performance can be defined as the evaluation of employee contributions to the business strategy. Measuring performance should be consistent, i.e. measured in accordance with a single set of principles and rules. However, conveying the importance of measuring individual performance can only be achieved if senior management sets the example . As a result, performance management may also be considered as a strong link in a company’s corporate culture, via the impact and behavior it generates.

The performance management cycle

Defining objectives and evaluating achievements over a given period requires communication between each employee, their direct manager and also a higher-ranked manager . There is significant value in discussing, negotiating and commenting on such performance objectives. Evaluation sessions where performance is reviewed may be scheduled to tie in with a specific business cycle, such as at the end of a mission or project This process helps managers to sharpen their “coaching” abilities by forcing them to identify problems as early as possible. Short review cycles enable corrective actions to be taken, priorities to be changed and even crisis situations to be avoided.

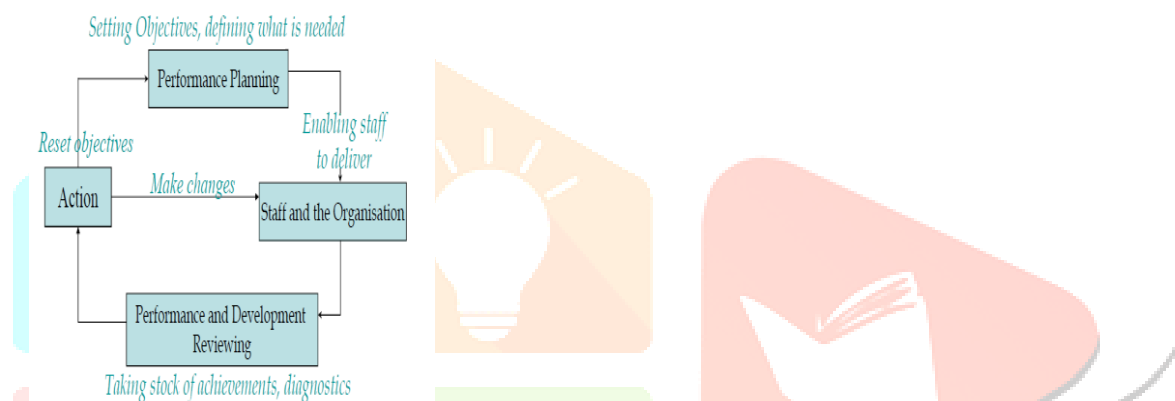


Figure 1.1 - Performance management cycle

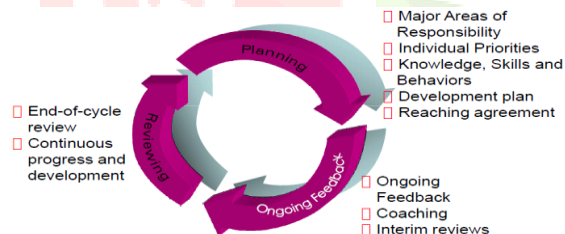


Figure 1.2 - Performance cycle

STAGES OF PERFORMANCE MANAGEMENT

The stages of performance management includes five stages that are

- ❖ Plan
- ❖ Monitor
- ❖ Develop
- ❖ Review
- ❖ Reward

Employee performance management includes planning works and setting goals ,monitoring performance, developing capacity ,reviewing performance and rewarding good work

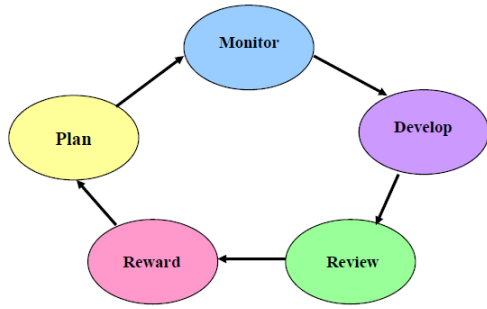


Figure 1.3 Stages of performance management

1.4.1 STAGE – I PERFORMANCE PLANNING

- ❖ Work goal
- ❖ Competencies
- ❖ Learning

Performance planning at the starting of the year and then periodically is the core of the performance management process. Performance planning should be a written document.

Performance result

Performance outcome or standards – from job description
Performance objectives for the next time period

Performance behavior

Competencies
Performance factors
Behavior expectations

Performance objectives

STAGE - II & III PERFORMANCE MONITOR AND DEVELOP

- ❖ Feed back
- ❖ Coach
- ❖ Adjust goals

Daily performance management monitor includes measuring performance and giving feedback. Two way communication between the manager and employee throughout the performance period is critical to the performance management process.

Daily performance management includes

Feed back and coaching informal
Monitoring and tracking performance against standards and progress towards goals.
Quarterly performance planning and performance discussions
Development through coaching training, challenging or assignment, improving work processes.

Behaviors: how the work is done

Performance factors /competencies
Required behaviors
Behavior supporting desired organizational culture.

Results : what is achieved

Performance outcomes
Performance compared to job standards
Performance goals and objectives

STAGE – IV PERFORMANCE REVIEW

- ❖ At least annually
- ❖ Discuss
- ❖ Document

The formal process of documenting results the employee has achieved and behavior and / or competencies displayed should occur at least once a year. Evaluate performance result and behaviors. Conducted face to face with a written record. While rating and ranking has both pros and cons, a summery rating of each employee may be useful.

STAGE - V PERFORMANCE REWARD

- ❖ Monetary
- ❖ Non – monetary
- ❖ Recognition

Good performance should be rewarded. recognition and non – monetary rewards are an important part of the reward structure. These include job related reward such as visible project assignments.

Recognizing employees for performance

Non – monetary rewards

Informal and ongoing acknowledgements of good work

Compensation

Merits increases

Pay to market

Increases added to base pay or lump sum

IMPORTANC OF PERFORMANCE MANAGEMENT

Working towards common goals

A clear understanding of job expectations

Regular feedback about performance

Advice and steps for improving performance

Rewards for good performance

NEED FOR STUDY

In this thesis will help the engineers to identify the roles and responsibilities. It involves identifying various aspects of a project which are virtual for the measurement of performance of the project manager and site engineer .taking good decision to reducing issues and a problems for improving construction work.

OBJECTIVE OF PERFORMANCE MANAGEMENT

To study the current performance management system of the organization.

To find out the performance indicators and their needs for the project success.

To identify the scope of improvement of methods of performance management.

To study the issues related to the performance management and its solutions.

Balanced score card

A balanced scorecard is a performance metric used in strategic management to identify and improve various internal functions of a business and their resulting External outcomes. It is used to measure and provide feedback to organizations. Balanced scorecard is an example of a closed-loop controller or cybernetic control applied to the management of the implementation of a strategy. Closed-loop or cybernetic control is where actual performance is measured, the measured value is compared to a reference value and based on the difference between the two corrective interventions are made as required. Such control requires three things to be effective:

- ❖ A choice of data to measure,
- ❖ The setting of a reference value for the data,
- ❖ The ability to make a corrective intervention.

Within the strategy management context, all three of these characteristic closed loop control elements need to be derived from the organization's strategy and also need to reflect the ability of the observer to both monitor performance and subsequently intervene – both of which may be constrained.[4] Initially, Balanced Scorecard emerged as a performance management system, over a period of time it has come to be known as a strategy management system, with its ultimate aim being the achievement of long term financial performance. Balanced scorecard is seen as a strategic management system enabling business leaders to meet the challenge of strategy execution., it is suggested that there may be two omissions in the way the BSC is compiled and implemented within an organization but more importantly when joined ventures between companies are in operation under a project environment. Firstly, the BSC does not make an attempt to identify the relationship between the measures developed for certain goals, assuming that all measures will only be specific to a particular goal. In fact, the reality is that the performance of internal and external business and operational processes will have an effect in the customer perspective and perhaps vice versa. Secondly, a large number of organizations and in particular within the construction industry, operate by undertaking projects with a number of collaborators and suppliers.

Performance metrics

A performance metric measures an organization's behavior, activities, and performance. It should support a range of stakeholder needs from customers, shareholders to employees. While traditionally many metrics are finance based, inwardly focusing on the performance of the organization, metrics may also focus on the performance against customer requirements and value. In project management, performance metrics are used to assess the health of the project and consist of the measuring of seven criteria that are safety, time, cost, resource, scope quality and actions. This relationship between the performance management system and the metrics used to measure performance, illustrating that an organization cannot claim to have an effective performance management system if the metrics used do not relate to the strategic goals of the organization. The design of performance metrics has been the subject of research for some time now and a number of interesting studies have illustrated the benefits and potential pitfalls of performance metrics. It is stressed the dangers of measuring the 'wrong things right' when the sole purpose of an exercise is to design performance metrics, which might not necessarily relate to strategy. Performance measure record sheet. The performance measure record sheet offers a solid framework for designing performance measures, but it does not necessarily provide a framework by which performance measures can be evaluated to the extent to which they relate with strategy and with other performance measures

Performance Process Framework

Performance Process Framework (PPF) is achieved by taking balance scorecard as a base and identifying number of limitations in its implementation. The main aim of the frame work is to present a complete performance measurement processes in that it satisfies the need to represent input, process and output of the process.

The last planner system

The last planner system is a collaborative planning process that involves trade foremen or design team leaders (the last planners) in planning in greater and greater detail as the time for the work to be done gets closer. In the UK it is sometimes known as Collaborative Planning and, in the USA, sometimes called Pull Planning. The Last Planner System (LPS) for production control has been implemented in construction projects with varying levels of success, to increase the reliability of planning, improve production performance, and create a predictable workflow. Through the LPS methodology, project teams commit to complete assigned tasks in a given week. Some lean construction practitioners refer to percentage plans complete (PPC) as a metric for commitment reliability. According to Forbes and Ahmed a PPC value does not measure the level of utilization of a work flow (efficiency). Instead it measures production planning effectiveness and workflow reliability.

STEPS TO BE TAKEN FOR IMPROVE PERFORMANCE IN CONSTRUCTION INDUSTRY

- Create awareness of construction laborer's rights and set up mechanisms of redress.
- Ensuring decent working conditions and proper contract systems and providing basic health care for construction laborer's.
- Provide feedback to employees regularly
- Engage the employees in a two-way discussion whenever their performance is the topic.
- Ensure adequate insurance facilities for the construction laborer's
- Encourage the construction laborer's saving habit by initiating thrift and banking awareness.
- Analyze the entire construction process in detail.
- Motivate the employee.
- Help employee reach their potential.
- Provide information for decisions about promotion, salary increases, bonuses, training.

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