

MANAGEMENT AND ORGANIZATION

1 AUTHORITY, POWER AND POLITICS

Authority can be vested in a person through the position held in an organisation. The person with this authority has the right to make decisions upon which others are required to act. This authority is seen as essential in order to get things done and achieve objectives.

But today, this concept is insufficient and other informal 'relationships' merge over the formal structure. Some of them can be the following:

- Superior knowledge
- Ability to persuade people
- An influent personality
- A favourable reputation with peers and associates
- Abilities in communication and conflict management
- Patience and willingness to help when it is needed
- Etc.

This can be referred as power. Power is a much broader concept than authority. Wehrich and Koontz (1993) defined it as "the ability of individuals or groups to induce or influence the beliefs or actions of other persons or groups". It is not viewed as a characteristic of an individual but as a social relation, which is defined as dependency. When one person or a group is dependent on another one, that person gains power over them (Robbins, 2005).

Pfeffer (1992) defines organisational politics as the exercise or use of power. That is, politics and influence are the processes, actions and behaviours through which this potential power is utilised and realised.

Authority and power are much related. A person in a structural position in an organisation has power over his or her subordinates (legitimate power). But power gains its wider meaning when it is used outside the legitimate authority structure, imposing his or her others in the organisation. It could be described as illegitimate power, as it is outside the formal structure.

Illegitimate power can be positive or negative. It is positive when used for achieving objectives which are directly related to the organisational objectives. The opposite would be negative. Even in its positive form, it is very important to control such forces, what is difficult as they are not explicit. The authority structure should regulate and define that power to act as a coalition.

2 LEADERSHIP AND EMPOWERMENT

Leadership is directly associated with both formal authority and the legitimate use of power. The leader has the potential for influence because of his or her formal authority, personal characteristics and talents. In case a leader is outside the formal authority, it is the potential for serious dysfunctional conflict.

There is the necessity to recognise power in subordinates. People who feel powerless do not respond well in the organisational setting, do not provide the level of effectiveness required and often have a negative effect on the achievement or organisational goals. Empowerment seems to be the solution. Neilsen's (1986) describes it as "giving subordinates the resources, both psychological and technical, to discover the varieties of power they themselves have and/or accumulate, and therefore which they can use on another's behalf".

The Association for Project Management Body of Knowledge (2006) describes leadership as "the ability to empower and inspire people to achieve project success". Partington (2003) affirms that "leadership comes from the involvement, participation and empowerment of followers".

Autocratic style	Democratic style
One who commands	Manages by consultation with subordinates
Expects everyone to obey	Encourages participation
Dogmatic – arrogant, assertive	Develops a team approach
Positive – clear cut, decisive	Sees the good in people around him
Often rules by threat or reward	

Leadership is the process of directing and influencing the work of team members (Dixon, 1991).

Different visions of work (McGregor's Theory X and Theory Y)

Theory X: People do not like work and therefore coercion or punishment may be applied to get them to work.

Theory Y: People do not dislike work and therefore work should be a pleasure. create interest, encourage responsibility, get people involved in participation in the management of the business. Develop a team approach to problem solving.

The concept of leadership nowadays is changing from somebody who gathers followers to someone who empowers others to become dynamic leaders themselves.

3 LEADERSHIP AND MANAGEMENT

It is very important to differentiate between leadership and management:

- Leadership is setting a new direction or vision for a group that they follow.
- Management controls or directs people/resources in a group according to principles that have been previously established.

A leader can set a direction for others to follow, but without knowing/explaining how to achieve it. The manager knows how to manage people and resources, but needs a pre-defined objective. Both aspects can be joined in the same person or not.

Empowering process	Leaders	Managers
Providing direction for followers/subordinates	Via ideals, vision, a higher purpose, superordinate goals	Via involvement of subordinates in determining paths towards goal accomplishment
Stimulating followers/subordinates	With ideas	With action; things to accomplish
Rewarding followers/subordinates	Informal; personal recognition	Formal; incentive systems
Depending followers/subordinates	By inspiring them to do more than they thought they could do	By involving them in important decision-making activities and providing feedback for potential learning
Appealing to followers'/subordinates' needs	Appeal to needs of followership and dependency	Appeal to needs for autonomy and independence

Differences in the empowering process as a function of role: leaders compared with managers (Burke, 1986).

4 PRINCIPLES OF MANAGEMENT

Henri Fayol (1841-1925)

In his writing, Fayol attempted to construct a theory of management which could be used as a basis for formal management education and training. Fayol firstly divided all organisational activities into six functions:

1. Technical: engineering, production, manufacture, adaptation.
2. Commercial: buying, selling, exchange.
3. Financial: the search for optimum use of capital.
4. Security: protection of assets and personnel.
5. Accounting: stocktaking, balance sheets, costs, statistics.
6. Managerial: planning, organising, commanding, coordinating, controlling.

Although well understood in their own right, none of the first five of these functions takes account of: drawing up a broad plan of where the business is going and how it will operate, organising people, coordinating all of the organisation's efforts and activities, and monitoring to check that what is planned is actually carried out. Fayol's sixth function, therefore, acts as an umbrella to the previous five. Fayol argued that to manage is to:

Plan: A good plan of action should be flexible, continuous, relevant and accurate, as it unifies the organisation by focusing on the nature, priorities and condition of the business, longer-term predictions for the industry and economy, the intuitions of key thinkers, and strategic sector analyses from specialist staff groups.

For effective planning, managers should be skilled in the art of handling people, have considerable energy and a measure of moral courage, have some continuity of tenure, be competent in the specialised requirements of the business, and have general business experience and the ability to generate creative ideas.

Organise: Organising is as much about lines of responsibility and authority as it is about communication flow and the use of resources. Fayol lays down the following organisation duties for managers:

- ensure the plan is judiciously prepared and strictly carried out, see that human and material structures are consistent with objectives,
- resources and general operating policies
- set up a single guiding authority and establish lines of communication throughout the organisation
- harmonise activities and coordinate efforts, formulate clear distinct and precise decisions
- arrange for efficient personnel selection
- define duties clearly
- encourage a liking for initiative and responsibility
- offer fair and suitable recompense for services rendered, make use of sanctions in cases of fault and error
- maintain discipline
- ensure that individual interests are subordinated to the general interest
- pay special attention to the authority of command
- supervise both material and human order
- have everything under control
- fight against an excess of regulations, red tape and paperwork.

Coordinate: Coordination involves determining the timing and sequencing of activities so that they mesh properly, allocating the appropriate proportions of resources, times and priority, and adapting means to ends.

Command: Managers who have command should:

- gain a thorough knowledge of their personnel
- eliminate the incompetent (any decision to separate with an employee should be the result of careful thought, that the employee should have had fairly assigned work for which (s)he was trained, that (s)he was fairly and objectively appraised and honest feedback was provided, that (s)he had been given every opportunity for additional training, offered guidance and that, where possible, (s)he was re-assigned to alternative work. Fayol also mentions procedures involving written warnings and protection against bias and "inequities").
- be well versed in the agreements between the business and its employees
- set a good example
- conduct periodic audits of the organisation
- bring together senior assistants to ensure unity of direction and focus of efforts
- not become engrossed in detail

- aim at making energy, initiative, loyalty and unity prevail amongst staff.

Control: Controlling means:

- checking that everything occurs according to the plan adopted, the principles established and the instructions issued
- taking appropriate corrective action
- periodically checking for weaknesses, errors and deviations from the plan
- checking that the plan is kept up to date (it is not cast in stone but adapts to changing developments). (managers).

Fayol's Principles of Management

Fayol's five-point approach advises managers on their tasks, duties and activities. From his own experience he established a number of general Principles of Management which lend definition, description and technique to this approach.

1. Division of work: specialisation allows the individual to build up expertise and therefore be more productive.
2. Authority: the right to issue commands, along with the appropriate responsibility.
3. Discipline: two-sided employees obey orders only if management play their part by providing good leadership.
4. Unity of command: one man-one boss, with no other conflicting lines of command.
5. Unity of direction: staff involved in the same activities should have the same objectives.
6. Subordination of individual interest to general interest: the interests of the organisation must come first over any group, just as the interests of any agreed team objectives should come first over the individual.
7. Remuneration: should be fair and equitable, encourage productivity by rewarding well-directed effort, should not be subject to abuse.
8. Centralisation: there is no formula to advocate centralisation or decentralisation; much depends on the optimum operating conditions of the business.
9. Scalar chain: Fayol recognised that although hierarchies are essential, they do not always make for the swiftest communication, and that lateral communication is also fundamental.
10. Order: Avoidance of duplication and waste through good organisation.
11. Equity: "A combination of kindness and justice" in dealing with employees.
12. Stability of tenure: The more successful the business, the more stable the management.
13. Initiative: Encouraging people to use their initiative is a source of strength for the organisation.
14. Esprit de corps: Management must foster and develop the morale of its employees and encourage each employee to use their abilities.

5 MANAGEMENT IN CONSTRUCTION PROJECTS

The characteristics of construction projects can be resumed in the following (CIOB, 2002):

- Fragmentation of the organizational mechanism. The client must contract very different works. There is a separation between the designer and the constructor/s. There is a wide range of specialists working, the team is usually different for every project, or even different parts of the project.
- Technology involved in the construction of modern buildings.
- Different locations, so logistics is always different. Depending on the site place, complexity can be higher, for example, highly urbanised cities with minimal working space.
- Exposure to weather conditions, which can be extreme.
- Every project is different: the project organization changes, the participants vary, the site conditions too, different technology adopted, etc.
- Uncertainty during the project life cycle. Conditions may change during time due to external circumstances, as the process is long (economic conditions, changing requirements and regulation, etc.)

The Code of Practice for Project Management (CIOB, 2002) defines Project management as 'the overall planning, control and coordination of a project from inception to completion aimed at meeting a client's

requirements in order to produce a functionally and financially viable project that will be completed on time within authorised cost and to the required quality standards’.

The keystones to success of a project are: time, cost and quality control.

The Construction Industry Council (CIC) suggests that “the primary purpose of project management is to add significant and specific value to the process of delivering construction projects”. It can be achieved by the systematic application of management principles during the life of a project. For that, it is required different techniques that help to this achievement. The project manager becomes so an essential player in guiding the many separate phases and parties involved in the building/infrastructure construction or facilities. The function of the project manager is applicable to all projects.

6 THE PROJECT LIFECYCLE

The project lifecycle is defined by the stages as they are identified across the industry. There are different appreciations for these stages. The Code of Practice for Project Managers summarises and compares them as follows:

Code of Practice for Project Management	Royal Institute of British Architects (RIBA) Plan of Work 2013	BIM Digital Plan of Work 2013	BS 6079-1:2010	ISO 21500:2012
1 Inception	0 Strategic definition	1 Strategy	1 Conception	1 Initializing
2 Feasibility	1 Preparation and brief	2 Brief	2 Feasibility	2 Planning
3 Strategy	2 Concept design	3 Concept 4 Definition	3 Realisation	
4 Pre-construction	3 Developed design 4 Technical design	5 Design		3 Implementing
5 Construction	5 Construction	6 Build and commission		
6 Testing and commissioning				
7 Completion, handover and operation	6 Handover and close out	7 Handover and close out	4 Operation	
8 Post-completion review and in use	7 In use	8 Operation and end of life	5 Termination	5 Closing

7 DUTIES OF THE PROJECT MANAGER

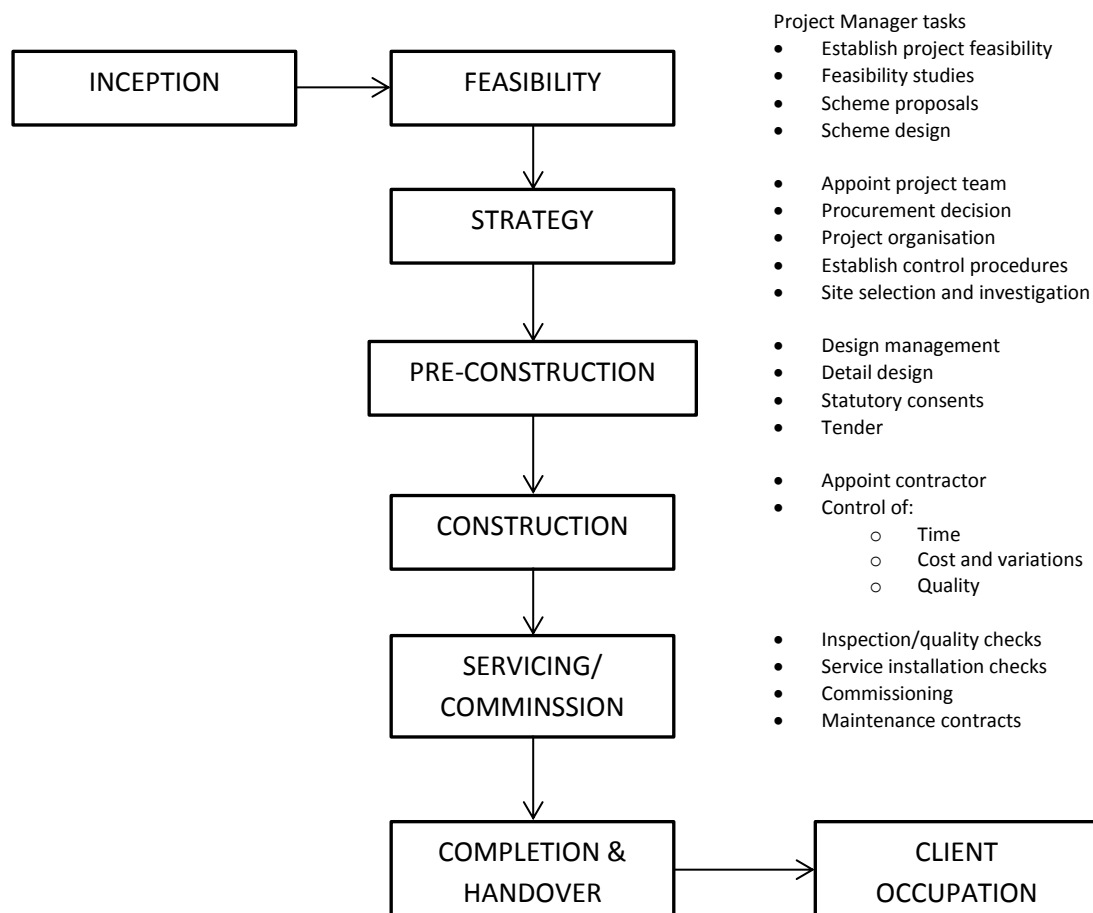
The duties of a project manager vary on the client’s expertise and requirements. So the action of the project manager will be dependent on the relationship with the client, but always there is the continuous duty of exercising control of project time, cost and performance. It is achieved through forward thinking and the provision of good information as the basis for decisions for both the project manager and the client. Suggested duties/client’s requirements are listed by the Code of Practice for Project Manager (CIOB, 2002), but they vary by project, and relevant responsibility and authority. This list is as follows:

Duties/client’s requirements	In-house project management	Independent project management
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	Project management	Project coordination	Project management	Project coordination
Be named in the contract	●		+	
Assist in preparing the project brief	●		●	
Develop project manager's brief	●		●	
Advise on budget/funding/programme/risk management arrangements	●		+	
Advise on site acquisitions, grants and planning	●		●	
Arrange feasibility study and report	●	+	●	+
Develop project strategy	●	+	●	+
Prepare project strategy	●	+	●	+
Develop consultant's briefs	●	+	●	+
Devise project programme	●	+	+	+
Select project team members	●	+	●	+
Establish management structure	●	+	●	+
Coordinate design processes	●	+	●	+
Appoint consultants	●	+	●	+
Arrange insurance and warranties	●	●	●	+
Select procurement system	●	●	●	+
Arrange tender documentation	●	●	●	+
Organise contractor prequalification	●	●	●	+
Evaluate tenders	●	●	●	+
Participate in contractor selection	●	●	●	+
Participate in contractor appointment	●	●	●	+
Organise control systems including reporting procedures	●	●	●	●
Monitor progress	●	●	●	●
Manage and monitor meetings	●	●	●	●
Authorise payments	●	●	●	+
Organise communication/reporting systems	●	●	●	●
Provide project coordination	●	●	●	●
Issue health and safety procedures	●	●	●	●
Address environmental aspects	●	●	●	●
Coordinate statutory authorities	●	●	●	●
Monitor budget and changes	●	●	●	●
Develop final account	●	●	●	●
Arrange pre-commissioning/commissioning	●	●	●	●
Organise handover/occupation	●	●	●	●
Advise on marketing/disposal	●	+	●	+
Organise maintenance manuals	●	●	●	+

Plan for maintenance period	•	•	•	•
Develop maintenance programme/staff training	•	•	•	+
Plan facilities management and coordinate BIM	•	•	•	+
Arrange for feedback monitoring and post-completion review	•	•	•	+
Investigate BIM implementation	•	•	•	•
Liaise with funding institutions	•	•	•	+
Liaise with ground landlord	•	+	•	+
Liaise on acquisition, valuation, disposal of land	•	+	•	+
Liaise with agents over leasing tenants queries, etc.	•	+	•	+
Liaise with client over move to new premises	•	+	•	+
Liaise coordination with legal agents	•	+	•	+
Advise and manage client's changes	•	•	•	•

Brian Cooke (2009) resumes the tasks of the project manager according to the different stages of the project lifecycle as follows:



8 THE SKILLS OF A PROJECT MANAGER

The Construction Industry Council (CIC, 2001) resumes the needed skills grouped into five topic areas and classified as to whether competence is needed or needs only to have an awareness of it.

		Strategic					Project Control					Technical					Commercial					Organisation and people				
		Strategic planning	Value management	Risk management	Quality management	Safety, health and environment	The project control cycle	Developing a schedule	Monitoring	Managing change	Action planning	Client/project interface	Information management	Design management	Estimating	Value engineering	Modelling and testing	Configuration management	Business case	Marketing and sales	Financial management	Procurement	Legal issues	Organisation structure	Selection of project team	People issues
Competence																										
Awareness																										

9 THE SITE MANAGER

The site managers are often referred to as site agents or building managers. Sometimes they are also included as construction managers. They are responsible for the day-to-day on site running of a construction project. They are required to keep within the timescale and budget of a project, and manage any delays or problems encountered on-site during the construction project.

Some of the tasks that the site manager develops are the following:

- Prepare the site before start
- Planning of the work to be done
- Taking on staff
- Monitor progress
- Meet deadline for completing work
- Oversee delivery of materials
- managing for quality control
- health and safety checks (shared responsibility if there is an accident)
- inspection of works carried out
- sort out any problems that may arise
- keep close contact with members of their site team
- liaise with architects, engineers, surveyors and planners
- Ensure that work complies with building regulations and health and safety legislation
- Keep the client updated regularly on progress

Although their activity is limited to the site, they can also be involved before it takes place.

The site manager is employed by a construction company, contractor or civil engineering firm. They are also employed by local authorities to oversee the refurbishment of council owned properties.

The definitions of jobs vary from one company to another, but the differences between the project manager and the site manager are very clear.

We can also find the site engineer. He/she is focused on management of on-site staff, although not at the level of a site manager. An engineer sets out areas to be levelled, foundations to be dug,

structures and other technical issues. They are responsible for ensuring that the project is built following technical guidance provided.