

LEADERSHIP AND STRATEGIC ALIGNMENT IN CONSTRUCTION

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ABSTRACT

Construction management and engineering is generally thought of as a purely technical part of construction management consisting of bar charts, scheduling, estimates and bidding. While these tools may guide a company to construct a project, the management skills and techniques employed are generally not enough to ensure the success and optimization of a construction project. A successful construction project manager needs three skills that are separate but nonetheless interrelated and interdependent. These skills are 1.) Leadership skills, 2.) General management skills, and: 3.) Construction engineering and technical management skills.

While civil engineers are expected to be competent in construction management skills, areas of expertise in project leadership, organizational alignment and general management are lacking. Organizational alignment is the congruence and compatibility of the various activities in a construction project and determines the outcome of success or failure. This looks at the external environment in which the firm operates and the internal capabilities that it can offer. It is important that the needs of the various stakeholders in a project are satisfactorily met to ensure project success.

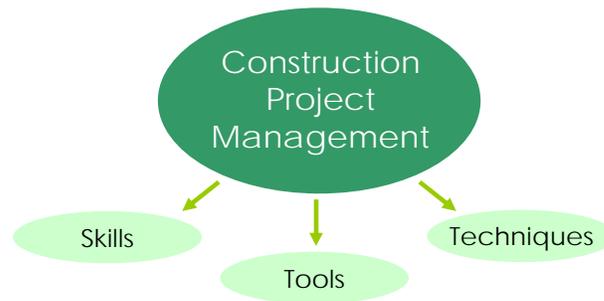
This paper aims to describe the leadership and general management skills that are necessary for the successful completion of projects. The strategic fit that is necessary to ensure project success is described through a strategic alignment methodology. This simple process can be used by construction engineers to ensure that their project takes into account both the external environment and the congruence of internal processes within the organization.

Keywords: strategy, strategic alignment, strategic construction management

INTRODUCTION

Construction project management generally involves the use of skills, tools and techniques to solve routine or difficult engineering jobs. Technical skills are dependent on the education, training and experience of the person doing the job. The tools are the equipment and systems that are used to complete the work and techniques are the various specific processes such as bar charts and schedules that are used to execute projects properly.

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Construction Engineering Education

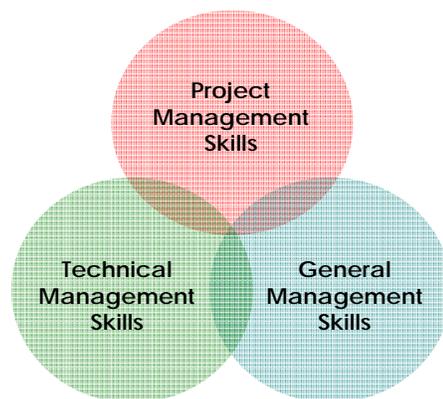
As most of these skills, tools and techniques can complete a project, they are simply not enough to achieve a high performance construction organization.

In order to manage projects properly, the project manager has to have 3 sets of skills:

Technical Management Skills – Skills in these are learned in the specific disciplines of the various engineering specialties. Ex – design skills, programming skills, production skills.

General Management Skills – The basic skills of finance, marketing, operations and human resources are lacking in the basic engineering curriculum offered in most universities.

Project Management Skills – The scientific process of initiating, planning, executing, monitoring and closing out projects is to be formalized in project management training.



Intersecting Management Skills

The Project Manager

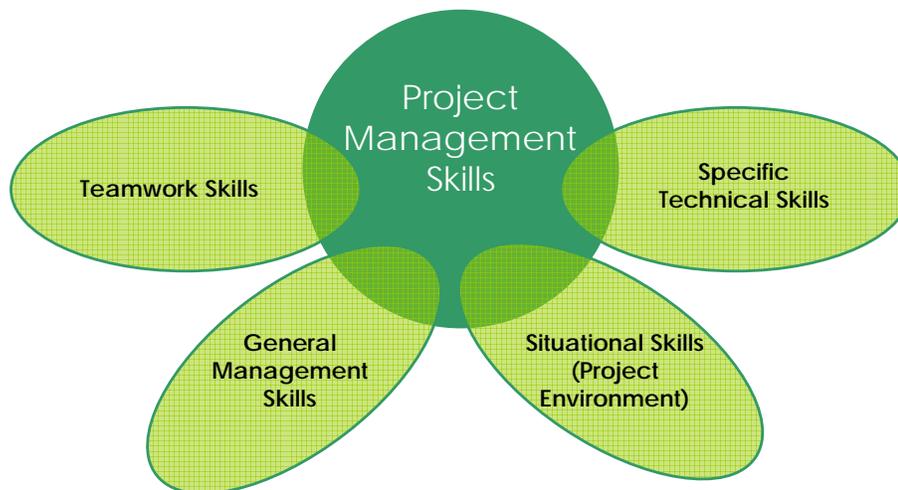
The project team, led by the project manager needs to have at least 4 sets of skills to ensure an aligned and a well performing team. These skills are:

Teamwork skills – While individuals may perform very well on specific tasks, working as a team is essential in a construction project. A construction project involves the coordination and integration of hundreds of individual activities that no single person can do everything. This calls for constant information exchange and can only be executed by a team. Without teamwork, a project can fail.

Specific Technical Skills – These are the professional skills of the team member. A civil engineer is expected to be competent in civil engineering while a mechanical engineer is expected to be competent in mechanical engineering.

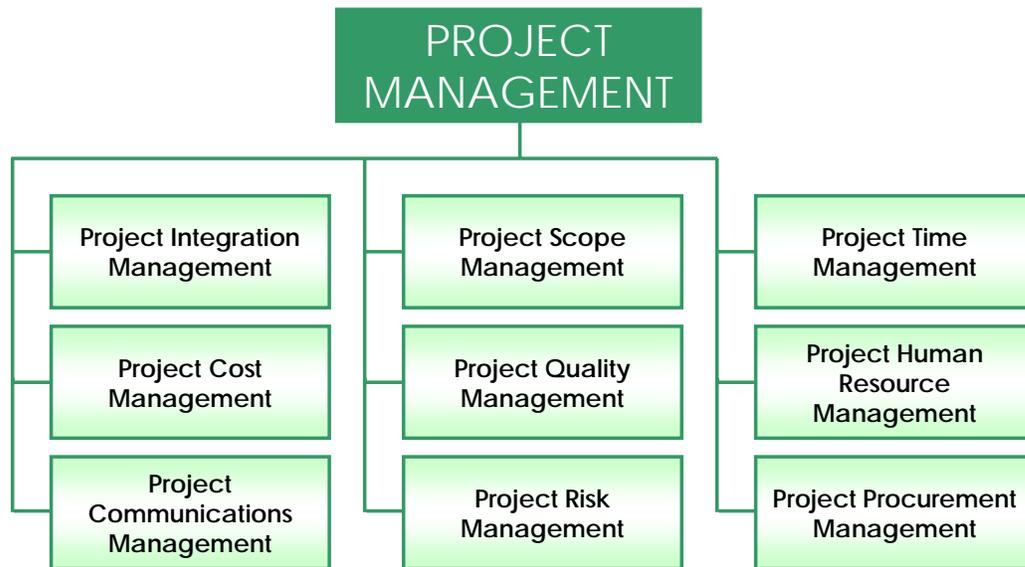
General Management Skills- Knowledge of finance, marketing, operations, contract management and human resources are necessary skills that the project manager should possess. These are the basic skills necessary to manage the project.

Situational Skills - The project manager should have specific skills of ‘adapting’ to the environment. As each construction project is unique, so is the environment in which it is going to take place.



Areas of Expertise Needed
by the Project Team

The project manager is also expected to be competent in the nine project management knowledge areas. These knowledge areas are specific but are interdependent with each other. It is necessary that the project manager be well versed in integrating various skill sets. Other knowledge areas include scope, time, cost, quality, human resources, communications, risk and procurement.



Overview of Project Management Knowledge Areas

Project Leadership

External Environment and Internal Resources

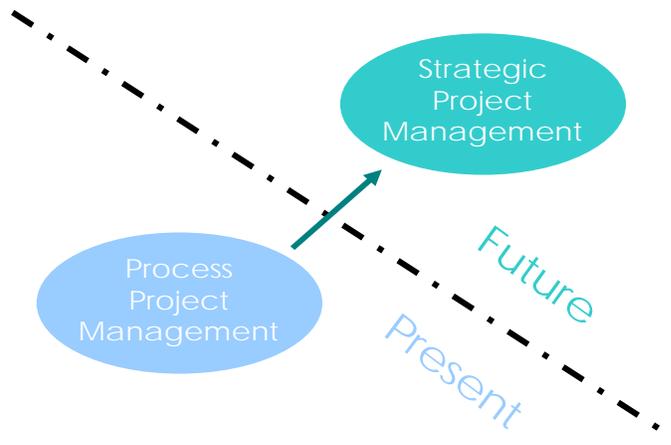
Project leadership is a very important skill and is very crucial to the success of a project. Leading a team is not the same as managing a team. Leadership and management are two separate things but are complementary to each other. The leader sets the direction of the project while the manager executes the project according to specs, delivery dates and the specific requirements.

The leader is more concerned with the overall strategy of the project and is focused on the external environment in which the project operates. The leader should have a good sense on how the environment changes and is responsible in adapting his construction firm to the changing environment. The manager, after getting wisdom and direction from his leader, makes sure that he has the resources and capabilities needed to execute the project.



Future vs. Present

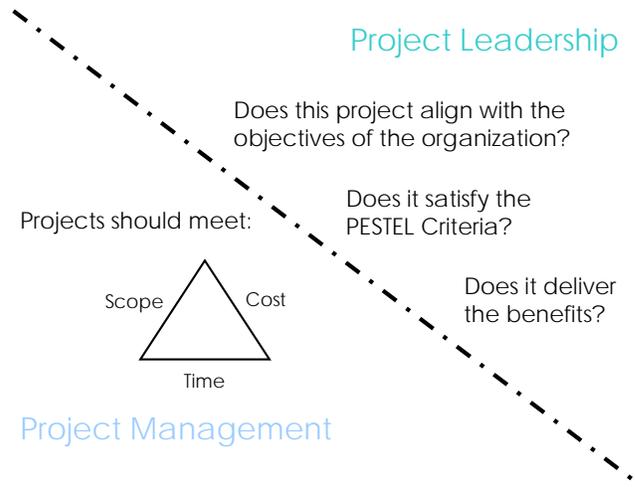
Project leadership is about looking at the future and setting the overall direction of the firm. This is also sometimes called strategic project management. Process project management is about looking at the present and seeing to it that all requirements are met according to agreed upon requirements.



Creating Value vs. Delivering Value

Project management asks the question 'Are we doing it right?' While project leadership answers the question 'Are we doing the right thing?' These two questions may look similar but are totally different.

Project leadership is also about asking questions and project management is about answering these questions. Project leadership is about deciding on the right project, knowing the project priorities and knowing how to create value. The project manager lets the leader decide on which project is important, knows how to execute the project and knows how to deliver the value that is to be created.



Strategic Construction Management

Project leadership plays a key role in the success of a project. As many construction project managers would agree, there is a certain degree of leadership that is being used in managing projects but still a lot can be done to improve these skills. Leadership and management are two different skills but are interrelated and are both necessary for the successful completion of projects.

Strategic alignment is about aligning the external environment and the internal processes and capabilities of the construction firm. As real customer value is created by satisfying an unmet need, the construction firm that can quickly identify this need, build the resources and capabilities to satisfy this need will be at a better competitive position. Strategic alignment is about the congruence and consistency of the financial needs, customer needs, organizational needs and the human resources needs of any construction organization.

Project Management Information System

As the construction work progresses, the proper tracking and capture of data should be done to ensure that the reasons of success, as well as the causes of failure are properly documented. In the completion of projects, the project leader should be aware of issues that led to the successful completion of projects as well as the prevention of future mistakes.

The building management system, when properly applied, can ensure that the project leader would not have any 'blind spots' in executing projects in the future. Information capture during the project execution stage is a very important aspect of adequate and responsible project leadership.

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