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ABSTRACT

An assessment of Australia's housing industry determined the level of management skills currently existing in the industry, identified current and future management skills required for the industry, and evaluated current management skill development strategies. Data were collected from the following activities: review of recent literature; study of 4 housing companies that were selected to illustrate management training practice; interviews with 22 industry representatives; 6 focus group meetings of approximately 10 people each; and consultation with key industry stakeholders and educational providers. Small builders were generally unaware of the value of undertaking management training. Medium- to large-size builders were most likely to value financial and other management skills. Management skills were usually learned informally. Fourteen management skills in four broad areas (managing operations, finance, people, and information) were deemed critical to the industry's future. It was recommended that formal training in entry-level management skills be expanded, small builders' and subcontractors' access to continuing training in management skills be increased significantly, and distance learning programs covering the management skills identified in the study be developed. (Appended are the interview schedule and lists of the interview and focus group participants. The bibliography contains 17 references.) (MN)

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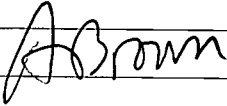
Management skills in the housing industry

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Management skills in the housing industry

**Geoff Hayton, John Garrick, Hank Schaafsma, Rosalie Fishman and
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1 — The Project

The Commonwealth Department of Housing and Regional Development has commissioned the University of Technology, Sydney (UTS) to undertake an assessment of management skills in the housing industry.

The researchers were Geoff Hayton, Hank Schaafsma, John Garrick and Jacqueline Stone from the UTS Research Centre for Vocational Education and Training, and Rosalie Fishman from the School of Management at UTS. Geoff Hayton, John Garrick and Hank Schaafsma have extensive experience in vocational education and training research, and Geoff Hayton and John Garrick conducted a national study for the Construction Industry Development Agency in 1993. Rosalie Fishman has extensive research and consulting experience on organisational change and managerial skills through the Australian Graduate School of Management. Jacqueline Stone provided research assistance for the project. Phil Carter, from the Construction Industry Development Agency, assisted with data collection and writing of the enterprise example in Melbourne.

The aims of the project were to:

- assess the level of management skills in the housing construction industry
- identify current and future required management skills for the industry
- evaluate current management skill formation strategies.

1.1 Project method

The project involved five components as follows:

- **Literature Review** — A review of recent reports in the field of management skills in the industry, including a background analysis of the requirements for quality management in the housing industry.
- **Enterprise Examples** — Four examples of housing construction companies were selected to illustrate management training practice.
- **Interviews** — Industry representatives were interviewed to identify current levels of management skill, future management skill needs and views on existing management training arrangements for the industry.
- **Focus Groups** — Six focus group meetings, each of about ten people, were held in Adelaide, Brisbane, Melbourne, Newcastle, Perth and Sydney to identify current

and future management skill needs, and to evaluate existing management training arrangements.

- ***Consultation with Industry Bodies*** — There was involvement in the project of key stakeholders in the industry and educational providers. A draft report was distributed to key stakeholders in September 1994, which gathered comments on the findings of the study. A further summary report was distributed for comment in January 1995 and this report represents the final outcome.

2 — Literature Review

Executive Summary

Few reports provide detailed profiles of management skills required in the housing industry. Three recent reports, one of which was not specific to the building industry, suggested:

- important skills required by supervisors/middle managers in building may be grouped under five broad functions: managing people, managing projects, occupational health and safety, managing quality, and environmental factors (Predl 1992);
- small business management competencies required may be grouped in the following categories: strategy planning, financial management, personnel management, marketing, communication, technical and computer skills (SBMCSB: Small Business Management Competency Standards Body (1993);
- the range of management skills required depends on two main factors:
 - the size of the business — small or large (Greig 1992);
 - the business cycle — start-up, stable or expanding (SBMCSB 1993).

Some of the key issues concerning current management training for the housing industry are:

- the industry's expenditure on training is low compared to other industries
- within the low base of training expenditure, the percentage of training expenditure on supervision and management skills is well below the average of other industries (ABS 1993)
- a range of courses, from very short courses to long, covering management skills are available to those in the industry, particularly in the cities of Australia (Wallace et al 1989)
- relatively few people in the industry undertake formal management skills training—most rely on 'learn by doing'—and usually their only formal training is in a specialised trade or technical area
- there is a need for raising awareness of the need for, and benefits of, management skills training
- for a significant percentage of small builders and sub-contractors, many of the management functions are performed by the builder's spouse (Cottage Building Surveys 1991).

2.1 What the literature says

A number of recent reports on the building and construction industry in Australia. management skills have been acknowledged as essential in the volatile and complex housing industry (eg Two Steps Forward, One Step Back, CIDA. 1994). However, as yet, advancement to a position requiring these skills usually has not been accompanied by appropriate education or training. There are two almost paradoxical results of this situation. First, having progressed to a management position with no formal management training or education many building contractors in management or supervisory roles do not feel that it is necessary or that the perceived benefits warrant the cost (Wallace et al., 1989, p. 55). They remain largely unaware of the potential benefits and of the courses available. Second, there is the high rate of failure of small businesses in the industry, said to be due to lack of business management skills (Wallace et al., 1989, p. 25).

It must be said that literature dealing specifically with management skills in the housing industry is scarce. Studies based on the building and construction industry as a whole are of some relevance, if the distinct features of the housing industry are taken into consideration. Although there is a growing body of literature on education and training issues in the industry, it pertains mainly to entry level rather than on-going education and training for supervisory and management positions. Similarly, despite there being a number of recent reports covering issues specific to the housing industry, topics of interest to this project have not featured (eg. BIS Shrapnel, 1994, Plant Location International, 1994).

2.2 The industry's commitment to training

The building and construction industry has features which strongly distinguish it from other industries in Australia. It is predominantly a small business industry, particularly in the housing sector, with most of the workforce self employed or employed in enterprises with 10 or less employees. A crucial feature is the predominance of sub-contracting in the industry, both in the housing and commercial construction sectors. The workforce is mostly male, and in the trade occupations the percentage of women is very low. A well known characteristic of the industry is its intensive boom and bust cycles tied to Australia's economic cycles, and this mitigates against investment in skill formation.

The construction industry's investment in training is very low, both in absolute terms and relative to other industries. Only 0.9% of wages is spent on in-house training, and the same amount on external training. The Cottage Building Surveys (1991) found that for the year 1989 to 1990 nearly two thirds of the 500 builders surveyed spent nothing on training, and overall, training expenditure represented only 0.2% of reported turnover.

A particular concern is the continuing lack of investment by the industry in training in management skills, especially for the housing sector. For the construction industry as a

whole, time per employee spent receiving management and professional training is 0.43 hours per quarter, which represents just under half the average for all industries (ABS Employer Training Expenditure Survey, 1993). The time spent on general supervision skills training is also about half of the average for all industries.

In contrast, there is a substantial level of expenditure by government on initial vocational education, mainly through TAFE and secondly through universities. There is a strong reliance by the industry on apprenticeship training, the industry having by far the highest percentages of trade qualifications in its workforce. As a consequence, some writers have suggested that management skills training be included in initial vocational courses, including TAFE trade courses. However, the current endorsed competency standards for ASF level 3 occupations in the industry, on which apprenticeship training is based, do not reflect this view. A separate issue is the crucial need for continuing education and training in a range of management skills for those already technically or trade qualified and undertaking supervision and management roles.

Along with the need for more emphasis to be placed on on-going training, particularly in management skills, is the need for the existence of clearly defined career paths and well articulated training. Throughout the literature the point is made that most builders advance to positions requiring management skills with none other than their initial trade training. From their perspective training is unnecessary, not cost or time efficient and often they are unaware of the availability of courses. (Wallace et al, 1989, Greig, 1992, INDECOS, 1994)

An underlying issue here is to do with the prevailing attitudes of builders towards on-going education and training in general, and towards growth and change in their businesses. For example there is the question of whether or not small builders who have survived or succeeded thus far, are particularly concerned with management skills training - do they want their businesses to undergo change or expansion as a result of obtaining further education and training? There is strong indication that in many cases a significant amount of the business management is in fact undertaken by the builder's spouse (Small Business Index, 1994, p. 3, The Cottage Building Surveys, 1991, p. 7).

The issue of attitudes also arises in Hendry et al. (1991) where the question of management development is addressed in their study on Human Resources Development (HRD) in small to medium sized enterprises (the housing industry is not explicitly referred to). The ad hoc nature and almost total absence of management development programs are described and the general HRD strategy for management development is said to be one of 'learn by doing' (p. 77). The point is made that there is a need for consciousness raising with regards to management development.

2.3 Management skills required

Awareness of management and supervisory skills required in the building and construction industry should be increased by the existence now of relevant documents containing lists of skills required in management and supervisory positions. On a general level are the competency standards published by the Small Business Management Competency Standards Body (1993). Required skills outlined are broadly categorised as strategy planning, financial and personnel management, marketing and communication, technical and computer skills.

More specific is the Predl report (1992), a skills analysis of supervisory and middle management positions in the building and construction industry, commissioned by the National Building and Construction Industry Training Council. The findings in this report are based on the perceptions of industry members. The report identifies five main functions of supervisors/middle managers—managing people, projects, occupational health and safety, quality, and environmental factors. These are divided into sub-functions which refer to a number of work areas within the main function. For example, the function, 'project management' is divided into the sub-functions planning and scheduling the project, managing the site and managing contractual arrangements. Under each of the sub-functions is listed a number of specific tasks requiring skills ranging from technical and numeracy skills to communication, problem solving and other skills.

As the Department of Housing and Regional Development has pointed out in the project brief, it hopes to achieve consistency between industry reform and training reform and it is here that the issues of registration and licensing, and award restructuring are raised. In the context of the absence of clearly identified career paths in the housing industry INDECOS notes that it is possible for those with little or no training to become registered or licensed to operate as sub-contractors or builders (1994, p. 44). The industry is increasingly acknowledging the importance of management skills, however, and this is shown, for example, by the BSC's (Building Services Corporation NSW) move in 1991 to make completion of a specified business management course a requirement for obtaining the 'gold' license (Greig, 1992, p. 119). From another angle, INDECOS notes that 'new products, new construction systems and award restructuring' are increasing the pressure for more on-going training to be available (p. 45).

Much of the literature which addresses the probable impact of new technology on skills needs refers to the non-residential sector of the building and construction industry, and as the BCIETC-Western Australia report (1993) points out, this technology is likely to have less impact on the housing industry. Any impact felt is likely to involve those in trade occupations. Even so, managers will most likely have to make informed decisions regarding investment in new technology and appropriate training. Importantly, the report does note that the number, range and quality of skills available will impact on which technologies, materials and organisational developments will be possible (p. 53).

In assessing required management skills in the housing industry, it seems to be important to draw attention to the distinction made by Greig (1992) between large and small firms. the different problems they face and thus the different management skills needed. Both large and small builders require high levels of management and organisational skills. Large builders require high levels of organisational skills because of the more complex managerial structures of large firms and because of the need to engage many specialist subcontractors for the one project. For the management of larger firms, skills are needed to deal with problems associated with being less able to adapt to unstable industry conditions. Skills are also needed in areas to which greater emphasis has shifted, including 'marketing, design, organisation and administration' (Greig, 1992).

In contrast, smaller firms are said to be more flexible, with more options in difficult times, and the advantage of low overheads. If need be, these builders can undertake a greater number of smaller projects such as building 'pergolas, decks and garages' or in better economic times they may choose to revert to subcontracting (Greig, 1992, p. 42). However, in order to succeed as a contractor, they must perform a number of organisation and management tasks. Specifically, they must be able to 'calculate and obtain the necessary resources, coordinate and supervise site work, organise cash flow and plan for future projects' (Greig,1992, p. 116–117). Often, these functions are performed with no appropriate training.

The Small Business Management Competency Standards Body (1993) makes the further distinction, with regards to varying management skills needs, naming three categories of types of small businesses:

- start-ups or business intenders
- existing, stable businesses
- existing, expanding businesses.

2.4 Impact of workplace reform

Most of the literature concerned with industry restructuring and workplace reform and their implications for skills and training needs speaks in terms of the construction industry as a whole, without specific reference being made to the housing industry. Nonetheless there is some relevance, particularly for larger firms in the housing industry. Discussion is of integrated types of work organisation with the use of teamwork and multi skilling approaches (Wallace et al.,1989, Hayton et al, 1993). Decentralised management structures will require better developed communication and inter-personal skills. Specifically mentioned is the need in these contexts, for managers to release some of their control over the construction process and to develop 'a greater focus on design, innovation and strategic thinking' (Hayton et al., 1993, p. 47).

For this to happen, Hayton et al. point out the need for managers and professionals to understand the changes arising from workplace reform. In a similar vein, Lovell (1991, p. 34–35) sees the lack of understanding of managers with regards to restructuring, as an impediment to the achievement of reform to training and skill formation in the building industry. Lovell is pessimistic about the prospects for significant reforms at the workplace. He doubted that the attitudes and skills of managers will enable the required shift in focus to skill needs, or the move away from the employment of workers on the basis of narrow specialist skills.

This view of the need for understanding of workplace reform is supported in the Construction Skills Training Victoria report. This report emphasises the need for commitment if reform is to succeed and thus the increased need for communication and training to ensure that those in the industry understand why change is required (1992, p. 40). Likewise the BCIETC of Western Australia specifically notes that resistance to change amongst building and construction industry middle managers is a high priority concern with regards to industry training in the immediate future (1993, p. 84).

2.5 Quality management

Finally, there is the question of Total Quality Management and the implications of an increased focus in this area on management skills and training needs. It is only recently that TQM has featured in discussion specifically focused on the housing industry and there is still relatively little available in the literature. Much of the literature referring to quality in the housing industry deals with narrower concepts of quality control or quality assurance, rather than the more holistic organisational approach of Total Quality Management.

Greig (1992, p. 121–123) states that despite the nature of the housing industry and the difference of its processes from those in manufacturing, quality systems can be applied. Also advocating a TQM focus is the Construction Industry Development Agency (CIDA) (cited in INDECOS, 1994, p. 46) which names five management imperatives corresponding with TQM principles: leadership, planning, process control and improvement, information and relationships. This represents a fairly good guide to management skills needs in a TQM environment.

The importance of supervision in quality control is highlighted by Greig (1992, p. 122–123). He acknowledges the particular problem of site supervision, noting that supervisors are often unable to oversee work because it is a trade in which they have no qualifications. This problem is compounded, he says, by a shortage of qualified supervisors in the industry.

Nevertheless, Greig addresses three issues of quality control to be applied:

- * 'accountability' - supervisors should take responsibility for ensuring quality:
- * 'rectification' - should be minimised with regular, timely inspections:

* 'measurability' - acceptable standards must be defined and communicated to subcontractors.

Corresponding with these are the skills identified in the Predl report as being required by supervisors, in terms of managing quality (1992). Underlying these is the need for supervisors to have an understanding of quality assurance requirements and procedures, and the ability to monitor performance and implement rectification strategies when necessary.

3 — Enterprise Examples

Four enterprise examples were chosen to provide insights into skills required and the acquisition of management skills in the housing industry. The views of individuals within each enterprise do not necessarily translate to an industry wide perception, but should be seen in the context of the particular enterprise.

The four examples are:

- medium size home builder in Newcastle
- a large home builder in Sydney
- a large home builder in Brisbane
- a small home builder in Melbourne.

3.1 A medium volume home builder in Newcastle

The enterprise is a small to medium volume home builder in the Newcastle region of New South Wales. The enterprise has an office in a small shopping centre in an older suburb of Newcastle, and a display home in a display home centre to the West of the city. The enterprise has specialised in high quality larger homes in the \$200,000 to \$600,000 price range. Like many other builders in this sector of the housing market, it has been affected by the recent recession. Turnover four years ago was \$4.5 million while current turnover is \$2.9 million. They expect a pick up in activity over the next few months.

The staffing and structure of the enterprise have evolved to suit the market demand and turnover. Currently there are two Directors, a Manager, a Building Supervisor, and Secretary. The Managing Director's main role is design and estimating, the Director's main role is Sales, the Manager's main role is financial management, administration, and managing the office, the Building Supervisor's role is supervision of the building subcontractors on site, and the Secretary's role is reception, typing and data input into the 'Lodex' computer program.

Role flexibility was practised in the areas of sales and customer service. The customer's first call of inquiry was seen as being of paramount importance and therefore sales and customer service was maintained by the same staff member through this first point of contact. Both directors and the manager performed this role as the need arose. On the other hand estimating, design, supervision and administrative roles were more clearly delineated. Strategic direction was jointly set by the directors with strong input from the manager. However, as is common in small organisational structural units a sense of open

communication pervades the organisation. Input into problem solving and resolution is encouraged and jointly owned.

3.1.1 Strategic Direction

The enterprise's main competitive strategy is based on targeting the upper price bracket of the housing market by having distinction in design, quality workmanship, client service and reasonable prices. This strategy has changed little in the last 20 years, with the result that the enterprise has a solid reputation in Newcastle for quality and distinctive design. The Managing Director holds on to the view that "I never wanted to be the biggest, but I want to be the best."

The enterprise has a clear strategic direction which was described by both the Managing Director and the Manager. The goal is to expand turnover to 30 to 35 homes per year and consequently increase staff with the addition of an extra supervisor, an estimator and a salesperson. It is felt that this will optimise the roles and capacities of the existing staff while maintaining an organisation close to the present structure and culture. For example, this would allow the Managing Director to concentrate on design, the part of the business he likes the most. The Managing Director and the Manager are definite in not wanting the enterprise to expand beyond the 'optimum level'. As the Manager puts it:

"We have seen it happen before, a builder is successful and expands too rapidly. At 100 plus homes per year it is a different business. The financial skills and organisational skills needed are at a higher plane. Before you know it, customers are complaining and the Building Services Corporation is chasing you."

Five years ago the enterprise acquired a small project home building business, Kendall Homes, which specialises in the \$45,000 to \$100,000 home market. According to the Manager, the above was a direct attempt to counter the recessionary impact in the building industry, specifically at the luxury end of the market. The Manager in particular pointed to the general lack of financial management and administrative skills as a key factor in business of this size not being able to maintain themselves and flourish in recessionary periods. Cash flow is a particular issue with enterprises of this size.

Kendall Homes is seen as a small but important part of the enterprise as it allows the enterprise to maintain an acceptable level of turnover when there is a slump in the luxury home market. While Kendall Homes is seen as a distinct entity servicing the price competitive end of the market, and *price is the key competitive factor*, it is clear that *enterprise quality workmanship* is also stressed as needing always to be present.

3.1.2 Management skills important to the enterprise

In reviewing the findings from this study a number of key issues emerged as of critical importance to managing an enterprise of this size.

Firstly, an understanding that the skills required for the management of the business enterprise as distinct from the skills required for managing the construction process need to be carefully articulated and adequately managed. Enterprises that have grown out of a strong technical base are particularly subject to these problems. This was certainly the case with this enterprise. Buffeted by changes in the economic climate, the principals found it more and more difficult to maintain their position without the aid of specific managerial skills. To this end they bought in the much needed skills of a qualified, experienced (in financial management of both a manufacturing enterprise and another home builder), and competent business manager to run the business management requirements of the enterprise.

A critical issue in this regard is that many technical specialists who have succeeded and grown into an enterprise through excellence in their craft, are not even aware of the managerial competencies that are needed or may be lacking in their enterprises. In this case there was awareness of the need for management and financial skills, and this need was addressed by 'buying in' the skills rather than training existing staff.

The second critical issue relates to the what is perceived in small enterprises as a lack of adequate time, financial resources and indeed the limited value of undertaking courses, when every person is needed on the front line. Buying in qualified staff is therefore seen as a far more viable and cost efficient option than training. Further, since most supervisory and indeed basic management skills were learned on the job, the need for monitoring and evaluating skill levels and upgrading them as the enterprise grows often go unrecognised. At the enterprise, this is reflected in the role of the Manager as not only ensuring the adequate training of staff and the recruiting of new staff as required, but in the need to informally educate the principals to the value of differing financial management options available to them.

The Manager points out that while acknowledging the cost and time issues related to training, training is seen as an important enterprise activity. He stated:

"It is critical that all staff engaged by us are fully qualified and experienced. That does not mean that we don't train them. It is essential to keep up to date with changes in the industry so our staff attend seminars and workshops offered by various educational bodies and industry groups."

Selection of workshops and seminars to attend is usually undertaken by the Manager, and is usually triggered by a newsletter or brochure from professional bodies or training providers. If the Manager is not sure of the usefulness to the enterprise of a workshop or seminar, he will telephone the training provider to obtain more specific information.

The third emerging issue relates to the importance of developing managerial skills within the context of industry and trade knowledge as a primary driver of business success. There are several management skills that clearly are of crucial importance to the enterprise. Many of these skills could be regarded as generic to the management of small businesses, regardless of the industry. However, some management skills are much more dependent on the structural and cultural context of the housing construction industry. The volatile, economically driven nature of the industry places particular pressures on industry specific strategic skills. Extensive knowledge is required of the home building industry to provide a strategic view of the current and desirable future position of the enterprise in the industry.

The crucial management skills required, as highlighted in this case study, are listed below:

- financial management
- communication skills (different requirements for different positions)
- project management: material, sub-contractors, planning, scheduling and controlling of costs
- administrative management: having an organised system of information flow, including 'paperwork'
- marketing management: establishing a display home, advertising associated with the display village, brochures
- contracting and legal aspects
- engaging 'good' subcontractors, through interviewing and assessment
- recruiting the 'right staff' (particularly important for a small business as one poorly trained or inexperienced staff member could threaten the survival of the whole business)
- keeping up to date with statutory requirements
- estimating and sales skills
- customer relations at all points of contact with the customer

- supervision and quality management (a major issue is the lack of communication and management skills of the sub-contractors).

3.1.3 Training undertaken by staff

The Managing Director completed a trade apprenticeship in carpentry, being employed by a home builder in Newcastle. He then went into business on his own, doing home renovation. Gradually he moved across to home building, attaining the status of 'master builder'. He has not undertaken courses covering management skills but has attended workshops provided by bodies such as HIA and MBA on a range of industry issues.

The Manager has undertaken a range of vocational courses covering financial and management skills. Early in his career he undertook a part-time accounting course by correspondence, then undertook the Personnel Management Certificate (now Diploma) at TAFE. He also completed the Credit Management Certificate and the two year course in Commercial Law and Company Law. In recent years he has attended a large number of workshops and short courses provided by professional bodies such as the Australian Institute of Management.

The building supervisor completed a trade apprenticeship in carpentry in the construction industry. He then completed the Clerk of Works Certificate and the Building Inspectors qualifying course. Soon after completing this he became a building supervisor with a project home builder. Currently he is undertaking the Bachelor of Building degree at the University of Newcastle.

The Secretary completed a 12 months clerical traineeship, and has received some on-the-job training in the use of the Lodex computer software.

3.1.4 Summary and conclusion

This enterprise example illustrates some key issues related to management skills in the housing industry. A critical issue is the recognition of the need, by the Managing Director, for the acquisition of management and financial skills by the enterprise, even for a small to medium size housing construction enterprise such as this one. Interestingly, the strategy he used was to *buy in* the management skills rather than undertake management and financial training himself. Many of the management skills in the enterprise were acquired through a range of courses, but mostly these were undertaken when the people were employed in larger businesses in the construction and manufacturing industries.

An issue apparent from this example is the boundary between *general* management skills and those management skills *specific* to the industry. In other words, are general small

business management courses appropriate or are industry specific management courses appropriate? Both appear to be important but most of the skills identified do not appear to be specific to the housing industry. (Which courses might be more attractive to those in the housing industry is a separate issue).

A further issue is the boundary between small business and medium/large size business management skills. The enterprise recognises that to make the transition from a small business to a medium size business requires additional management skills and skills of a different order. Rather than attempt to make this transition, the enterprise decided to keep turnover at or below a threshold level, above which it is felt that more sophisticated management and financial skills are required.

3.2 A large volume home builder in Sydney

The corporation is a mass home builder with its national headquarters located in Sydney's outer western suburbs and branches in NSW, Victoria, Queensland and New Zealand.

Established 40 years ago to build stock housing on new estates, the company had been privately owned until 1993–4 when it was publicly listed. Its former owner is now the principal shareholder, with an 89% holding of equity security (ordinary shares). The principal shareholder is based in a South East Asian country.

The principal activities of the enterprise are, at present residential (cottage) house-building and subdivisional land development, although it has recently (April 1994) established a National Loans office. This represents a move into financial services. Essentially this move is to lend money to enable people to buy one of the enterprise's cottages. It is a speculative home builder in that it buys parcels of land and builds homes to be sold on the new estates, as distinct from building homes under contract to owners of land.

The structure and culture of this enterprise could be described as conventional in the speculative building industry—as the operations manager at the NSW branch put it 'lean and mean'. By lean and mean he is referring to an hierarchical arrangement of work, with highly specialised compartments responsible for discrete work tasks including: design, sales, marketing, building operations, computer systems and administration.

Communication between workers essentially follows hierarchical chains of command. The houses are constructed by specialist subcontractors who repeat their activities over many homes to extract the maximum possible efficiency. Indeed the mass production of homes has become a precision operation and the reliance on subcontracting arrangements is an important theme in this study and is expanded in later sections of the overall report.

Although the enterprise has a branch based in Auckland, it is mainly involved in domestic cottage construction, with virtually no foreign competition. Its main competitors include

AV Jennings, Mitchell Homes, Huxley Homes and Masterton Homes, all local developer/builders. In terms of the scale of the operation, the enterprise's 1994 operating revenue was \$117,757,156, retaining profits for the year ended 31 March (1994) of \$17,691,368. The NSW branch, which is its largest, built 750 homes in 1993-4 with approximately 700 having been sold at July 30, 1994.

There is no union presence in the enterprise. Although there is no official policy on not employing union labour, the practice suggests that the enterprise prefers to employ non-union labour, which is seen as entirely in keeping with its 'lean' private enterprise ethos. Staff numbers at July 1994 were as follows:

National Office	17
NSW Branch	67
Victoria	16
Queensland	13
Home Loan Centre	4
TOTAL	117

Of this number, 73 were male and 44 female. Almost all female staff were in clerical roles. Staff numbers for the New Zealand office are not included. Figures on subcontractors and consultants were also not available.

With subcontractors doing the actual building work there is no 'workplace reform' such as multi-skilling or self-directed work teams which characterise some larger construction sites (eg Civil and Civic's Darling Park and Olympics 2000 projects). There are however some plans to introduce a flatter management structure within the offices to promote stronger 'teams' with team leaders, but at present, as the NSW Operations Manager (OM) put it:

"To survive the recession, we have had to be very lean. We have had to employ specialised subcontractors who we didn't have to train. If they didn't have exactly the skills we wanted, we would have to get someone else who did. I am very sceptical about all this multi-skilling and so-called autonomous teams in this industry. We (at the enterprise) need people with specialised skills who can go straight into a job and do it without any distractions or additional costs."

3.2.1 Strategic Direction

In the chairman's words, 'the philosophy of the company is to do more than construct houses, but to create affordable homes in well planned estates which provide their new owners with a lifestyle and a friendly neighbourhood'. In practice, and in search of a competitive advantage, this has translated to a new

emphasis on image and marketing. As the OM put it 'Our homes have to be beautifully finished and presented and this is an important part of our competitive strategy. It (the finished home) has to be more than just cost (cheaper than competitor's prices), it has to be very attractive'.

To obtain such a competitive 'finish', the enterprise has increased its *commitment to quality*. This commitment requires the OM in each branch, in addition to regular building inspections of the supervisors, to personally inspect every home for quality. At the NSW branch for example, the OM will inspect every home at least twice. He pointed out that there was no in-house (office) training about quality or TQM, but that:

"...awareness about the company's attitude to TQM happens through liaison on-site. There is a degree of fear in this; we don't run it on the fear principle... but it is good that a bit of fear is there. We don't want any of the subbies going soft on attention to detail."

In practice the OM monitors the building supervisors who in turn are each responsible for constructing about 50 homes at a time. Progress on home-building has to be achieved within set cycles. The time-lines and budgets are very tight and the houses are, essentially repetitive structures.

To harness further efficiencies, the National Office is currently reforming its design strategy. The enterprise has become fully computerised with the latest CAD systems to aid housing design. The National design team has recently been expanded (from two to five), employing for the first time a company architect (rather than buying-in consultants). In future, branches will comply with the standardised national approach. Indeed, the National Office is committed to introducing further reforms throughout the enterprise as evidenced by its recent (April 1994) hiring of a consultant to recommend improvements in work organisation, job design, training and strategic planning. One immediate consequence, symbolising new directions for the company, has been the National Office establishing the new position of National Personnel Manager (Policy). This appointment is intended to herald changes in the company's management of its human resources, as the enterprise has never had a published corporate plan or overall personnel policy. Indeed the company, in August 1994 held its first ever strategic planning meeting involving its entire staff.

3.2.2 Management skills important to the enterprise

This section could well be divided into two discrete sections:

- the recent history of the company and the management skills which saw it through a serious industry recession

- the emerging growth phase, characterised by an expanded strategic focus and the management skills required for the future.

The expansions and contractions which inevitably occur in building, place critical demands upon management skills and are highlighted in this case-example.

Through the recession of the late 1980s and early 1990s, the survival mode of management involved identifying specialist skills and employing subcontractors who did not need to be trained and required a minimum degree of orientation. In the Operation Manager's words 'we were very lean and we survived where others did not. To be competitive we had to be very efficient, offer affordable housing and beef-up our commitment to quality'.

Key skills related to ensuring the finished home was not only cheaper than competitors, but also more attractive. To get this, management relied on the conventional hierarchical lines of command. Specialised compartments existed (and largely still exist) under the direction of the branch General Manager. The Operations, Planning and Design, Administration, Sales and Customer Service Managers are in turn responsible for their specialist departments which all run along hierarchical lines. Key decision are made through strict observance of the chain of command and this is said to have held the company in good stead through the recession. But it is no longer viewed as sufficient to remain competitive as the industry moves out of the recessionary phase.

New skills are now being sought with plans to introduce a 'flatter' management structure and emphasises on image, marketing and a commitment to quality. The enterprise has become fully computerised with the latest soft-ware relevant to the industry and it is establishing a new design strategy at the national level. The company, for the first time is developing a strategic plan which is involving the entire staff and a new approach to the management of its human resources is being implemented. A National Personnel Manager has been appointed and plans for some in-house training are being developed. As the NSW General Manager put it:

"I believe that building companies have to be more professional to survive into the 21st century. The industry has grown from good tradesmen who, when successful, become businessmen. We need a greater degree of sophistication to manage the modern era."

He added that 'specialist skills still have to be identified, but they need to be mobilised into a team situation. You have to generate a work atmosphere which pulls things together'.

Quite clearly the General Manager is identifying as important the so-called 'soft-skills' of communicating effectively with specialist individuals to ensure a stronger 'team-approach'. In this, several key skill areas emerge:

- leadership qualities including: setting priorities; getting people to focus on key issues and priorities; strategic planning and anticipating change
- in-depth knowledge of (a) the industry, and (b) one's own niche within the industry
- an overview knowledge of finance (such as trading reports, balance sheets and so on)
- business efficiency, including time-management, a knowledge of business principles, marketing and accounting, and understanding the industry (and its people).

The General Manager and the Operations Manager both noted that successful tradespeople face a period of transition when they move *'from the tools into management'*. The GM stressed the importance of the ability to *appropriately delegate work and responsibility*. In his words 'sometimes you have to let go of control. Sometimes they (tradesmen in transition) have an affinity for doing it (the actual construction work) even though they have really become managers... and they can't let go. Identifying good people and having trust in key foremen has been critical to me... delegating is critical'.

Interviews with managers at the enterprise identified two additional skills important to building managers and these relate to the *language and culture* of the industry and *self-reflection*. With the former, managers simply noted that a high proportion of subcontractors in the industry come from a range of backgrounds and languages and this needs to be 'handled'. The latter brought forth some less self-evident points and again it is best to let the words of one of the managers speak:

"...the culture of the industry has never rewarded self-reflection. Successful men in the industry have tended to be strong men... machismo has been rewarded in the past, but it is a more sophisticated era now... the macho stuff is no longer enough. Successful business people in this industry now need to reflect on the impact of their own behaviour on others."

3.2.3 Training undertaken by staff

With the exception of the executive director of the National Office who has a university education in engineering, the GM and the building managers in this enterprise have risen through the ranks after having started their careers as trade apprentices. The Operations Manager after completing a trade apprenticeship moved

on to become a 'master-builder' and completed the Clerk of Works Certificate and Building Inspectors qualifying course at TAFE. The General Manager successfully ran (for 20 years) his own building business before joining the company.

The Administration Manager has an Associate Diploma in Accounting from TAFE and mentioned he occasionally attends after-work seminars run by the Institute of Chartered Accountants. Indeed, short sharp after-work, or outside of work-hours seminars run by the building industry was the preferred approach to training for each of the managers interviewed. Neither the General, Operations or Administration Managers have undertaken any formal management courses. In the GM's words:

"...you have to take the managers out of their work environment. Training has to be attractive enough to make people want to build it into their programs. You have to have very good speakers and for senior managers conferences have to be structured, meaningful and attractive or they will not attend".

Training in the enterprise is highly dependent upon individual initiative (self-starters). To date there has been no training plan or systematic training needs assessments. These have not been perceived to be essential components of the business. There is no training culture in this 'lean' market enterprise, although a few in-house training sessions have been held in the past. For example in basic sales training and when new computer software was recently introduced. Indeed the overwhelming majority of *training is external*, provided by external providers such as TAFE, and done in the individual employee's own time. The National Personnel Manager and the NSW warranty officer provide classic examples of how this 'system' works. The warranty officer:

"I was keen to learn in my new job and thought the TAFE management certificate would help. I put my proposal to the Administration Manager who was supportive and final approval came from the General Manager. I attend college of an evening and when I have passed all my subjects for each semester I submit my results and the company reimburses me for my TAFE fees. If I were to fail a subject, I would not be reimbursed until I had made that subject up."

3.2.4 Summary and conclusion

An important finding in this case-example has been the differing pressures which come onto managers in the building industry as contractions (recessionary tendencies) and expansions occur. At this enterprise the new (expanding) era is bringing with it new requirements of managers. The new demands centre on a movement *from* being a home-builder *to* a home-builder/marketeer/loan agent/seller. New emphases on quality, design and image bring with them the need

for high order communication skills, the abilities to mobilise specialist individuals into teams and for more strategic planning for the future. These forces are calling upon managers to upgrade approaches to the management of 'human resources' and to plan more systematic approaches to the up-skilling of staff. Operating in teams with team-leaders requires the devolution of power and appropriate delegating skills. As great time-management pressures persist, success in these areas is perceived to be of the utmost importance. As the GM put it 'to survive competitively into the 21st century a more sophisticated approach is required. The macho approach of the self-made man who has successfully made the transition from tradesman to manager will no longer be enough'.

3.3 A large volume home builder in Brisbane

The enterprise is a large national home builder, and has been an industry leader for many years. This study focuses on the company's home building operation in Brisbane. The core business of the company is domestic home building, which is undertaken by a wholly owned subsidiary of the company. Other company activities, regarded now as 'non-core', include commercial construction (through a separate construction company), retirement villages and property development. The company experienced financial difficulties in 1991 and 1992, and this led to the 'non-core' activities being steadily sold off to retire debt and refocus on what the company regards as its strength—domestic home building. The company is about 40% owned by a multi-national company, about 30% owned by a consortium of banks, and the remainder is publicly owned. The corporate head office is located in Brisbane and Melbourne.

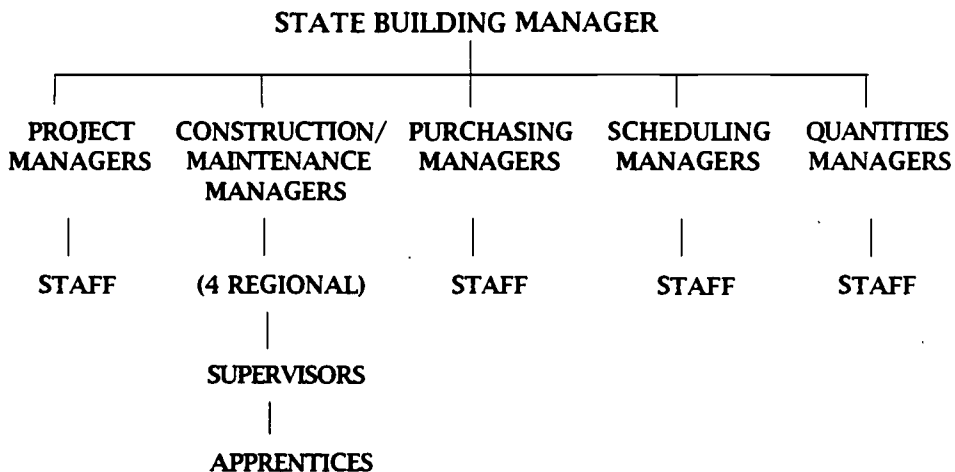
The enterprise currently constructs about 4500 homes per year, with an operating turnover of \$463 million in 1992–3 (about 2.3% of the Australian house construction market). The enterprise employs about 2,500 people directly and engages a large number of consultants and sub-contractors to undertake sales and building trades. In Queensland, the enterprise currently constructs about 1000 homes per year, and operating turnover was \$118 million in 1992–3.

The company was launched in Melbourne in the 1930s. In the late 1950s the company started building homes in other states, expanding into Queensland in 1960. The company attained housing market leadership in the 1960s, and in the 1970s pioneered the display home as a marketing tool. The display homes relied on good presentation, strategic location and appropriate staffing, and these ingredients proved successful for the company. In the 1980s the company diversified into commercial construction, property development and retirement villages.

The property development operations led to operating losses and high debt in the late 1980s to early 1990s, threatening the viability of the company. The publicity concerning its financial difficulties contributed to some eroding of its housing market share. Over the last

two years a strategy has been implemented of selling off non-core businesses, relieving debt and focussing on the core business of housing to retain and increase market share.

The management structure of the enterprise reflects the size of the organisation and the strategic focus on intensive marketing of affordable housing and refinement of a highly systematic approach to house building. A small national corporate management team comprises the Managing Director and national managers for finance, design, human resources, marketing and manufacturing. The Queensland management structure has five managers reporting to the national Managing Director. The five state managers are in accounts, land, sales, building and manufacturing. The building operation in Queensland has nine managers reporting to the State Building Manager, as shown in the diagram.



3.3.1 Strategic direction

The competitive strategy of the enterprise has two main themes: sophistication of marketing and streamlining of the building process. The marketing strategy involves tailoring of the product package and marketing approach to suit the particular housing market sector. Three market sectors are being targeted at present: the first home buyer, the second home buyer (termed 'space buyer' by the Sales Manager because their priority is usually extra space at low cost) and the discretionary buyer. The streamlining and systematisation of the building process is a very important theme at the enterprise, and distinguishes the enterprise from other home builders in Australia. Three key objectives are housing affordability, quality, and faster turnaround. Over the last two years overheads have been reduced, profit margins have been reduced, the customer initiated variations to the 50 company designs have been developed into a standardised range of options, and new building techniques have been implemented to reduce costs and shorten building time.

One of the strategies to reduce costs and shorten building time is the use of pre-assembled wall frames and roof trusses, manufactured in the company's own plant in Brisbane. The enterprise has taken this a significant step further through its ENCO wall manufacturing system. Closed wall sections are manufactured complete with electric wiring and points, plumbing and internal plaster linings. About 40% of homes built by the enterprise in Brisbane now use the ENCO system. The system is regarded as successful, resulting in shortening of house construction timelines and cost reduction. The enterprise is exploring export possibilities in South Africa and South East Asia, and already has sold the ENCO system under license to a firm in Thailand.

3.3.2 Management skills important in the enterprise

Management skills required by staff of the enterprise were clearly identified in job descriptions. Over the enterprise as a whole a wide range of management skills was required, but the structure of the enterprise allowed a high degree of specialisation with some narrowing of the skills required by each person. As expected in a large organisation, communication skills were mentioned frequently as being of importance to the organisation.

For State Managers the most critical management skills required are marketing and communication skills. For Construction Managers the most critical skills are organisational skills and communication. For Building Supervisors the most critical skills are organisational skills and quality control.

Important management skills highlighted in this case study are:

- communication skills
- project management
- quality control
- financial management
- cost control
- dealing with banking officers
- conducting appraisals of staff
- training of staff
- participating in meetings
- preparing reports
- liaising with customers
- computer skills
- information management
- design of training
- dealings with complaints from customers or staff
- job redesign.

3.3.3 Training undertaken by staff

A wide range of specialised jobs are established in the organisation. Detailed job descriptions have been prepared for most job types. Management skills figure prominently in most of the job descriptions. Analysis of career paths and skill requirements in the organisation may be divided into two broad job groups: sales and technical. Sales staff enter the company with a range of qualifications. Criteria for recruitment are based on personality rather than formal training. There is an extensive program of internal training for existing sales staff. The training concentrates on sales techniques and procedures of the enterprise.

Technical staff usually enter the company with a building qualification such as a trade apprenticeship qualification or a TAFE Associate Diploma in drafting. However, some technical staff are recruited from non-technical positions within the organisation. For example, Customer Service Officers, who liaise with customers and building supervisors during building, may have been secretaries or manager's assistants within the organisation.

Technical/building staff of the enterprise undertake a relatively large amount of training supported by the enterprise. Internal and external training is undertaken, but the emphasis is on internal training in the building administration systems of the enterprise. External training encouraged by the enterprise includes short courses offered by the Australian Institute of Management, by other professional bodies, and by TAFE. Some of the Building Supervisors are undertaking the Associate Diploma in Building offered by TAFE in Queensland.

Most Building Supervisors enter the company with a trade apprenticeship qualification. A common career path is apprenticeship, trade experience (usually employed by a sub-contractor or in own business), entry to the enterprise as an Estimator, moving to Building Supervisor, Senior Supervisor then Construction Manager. Newly recruited Estimators and Building Supervisors receive induction training of two days. Supervisors also undertake the Dogman Certificate course, the Builders Licensing course, and an Occupational Health and Safety course. Supervisors and Construction Managers also undertake training, usually monthly, on reviewing aspects of the building administration system, and changes or improvements to the system.

The enterprise has offered training to its sub-contractors as part of a strategy of changing work organisation and building techniques at the site. However, the sub-contractors have not cooperated and declined the offer of training.

3.3.4 Summary and conclusion

- A very large home builder in Australia, with corporate headquarters in Brisbane and Melbourne
- Annual turnover is nearly \$500 million and currently the enterprise builds about 4,500 homes—about 1000 in Queensland
- The direct workforce is about 2,500 nationally, with about 800 employees in Queensland
- The enterprise is in most segments of the domestic home construction market, but has a focus on first home buyers
- The enterprise does sales (house, land and house and land packages), design, drafting, contracting, project management and manufacturing; the enterprise sub-contracts building trades and, in some states, sales.
- The foci of the company are development and intensive marketing of 'house packages' to suit particular market segments, innovative designs and quality of product
- 'Systematic building', standardised procedures and standardised house packages are strategies being implemented
- Management skills required depend on the management level within the organisation and the specialisation of the division of the enterprise. Communication skills, organisational skills, marketing and quality control are important management skills for a many of the positions.

- There is a high level of training activity in the enterprise, both internal and external training. but with an emphasis on internal training in the enterprise's work flow procedures
- Most staff receive induction training and periodic internal training
- Individuals who, of their own initiative, attend relevant external courses will have their fees reimbursed upon completion of the course
- Training has been triggered by:
 - changes in procedures within the enterprise
 - monitoring of job performance—performance problems are usually addressed by retraining in standard procedures
 - new building legislation
 - new assembly or site techniques
 - new building materials
 - complaints from staff or customers
 - induction training for new staff
 - job redesign.

3.4 A small volume home builder in Melbourne

The enterprise is a small privately owned home building company in the eastern suburbs of Melbourne. Its office is in a small shopping centre. The company produces houses across a broad price range, but has a tendency to produce for the medium to high price bracket (average of \$200,000). As with most other builders in Victoria the company is experiencing a down turn in margins. Whilst the turnover may be similar to the better days prior to the recession the margins have diminished for the enterprise (as with most other Home Builders). There is an expected further pick-up in demand but it is envisaged that margins will stay low for a considerable time.

The staffing and structure of the company have changed in the last two years. The enterprise is now down to skeleton staff with the Manager and the Clerical staff taking on a greater range of duties. The manager/owner is involved more in day to day supervision and also the marketing of the product. The clerk/secretary has taken a more active role in accounting/clerical area. There is also a part-time person who has major responsibility for estimation. The current staffing level of 2 plus a part-timer is considerably down on the staffing level of 7 during the peak years. The enterprise has attempted to be as flexible as possible with all of the full time staff taking up a cross section of duties but given the background and training of the manager/owner, most of the on-line housing responsibilities have become part of his duties, (prior to the part-time appointment he had taken on all of the estimating as well).

The strategic direction and broad policies of the organisation were created and monitored by the manager/owner. But typical of smaller organisations the time frame for strategic analysis was over a diminished time period. Communication within the office is again typical of most smaller organisations: it is very open and problem solving is jointly carried out where there are areas of common understanding.

The turnover for the enterprise is approximately \$1M with a decreasing margin for profit. Most of its production is in the eastern regions of Melbourne.

3.4.1 Strategic direction

The enterprise has been in operation for over 22 years. It has a major competitive strategy of quality and service followed by price. This strategy it believes has enabled it to survive in a very competitive market over a long period. As it is producing a product in the price range of \$200,00 it believes that quality and delivery of product on time are major factors for competition. Unlike the cheaper end of the market, the customer is just as likely to be concerned about the quality of the finish and the fact they are able to move into a finished building on time, as they are about the total cost of the product.

The major competitors for the enterprise are varied. They can be a large producer such as Eaglehart Homes or they can be a smaller to medium producer ('a builder just around the corner could be a competitor'). This makes this market more difficult to read than most, as a producer may not be aware of likely current or future competitors. The setting of prices, organisational issues, marketing strategy and factors such as delivery and quality are difficult to set in place in a competitive environment as fluid as this type of market.

The major strategic change made by the enterprise in the last few years has been the proportion of revenue gained from renovations. In the last few years the amount of renovations has moved from 40% of total revenue to 60% of total revenue as compared to new home starts.

In previous years the enterprise has had a level of full time management employed to supervise/regulate sub-contractors. That is now all undertaken by the General Manager and/or has been picked up by sub-contractors. This has enabled the enterprise to drastically cut all overheads.

Finally, the enterprise uses sub-contractors for all of its construction work, only undertaking the general management, supervising, clerical and estimating functions.

3.4.2 Management skills important to the enterprise

There are distinct but connected areas of management; the management of pre-construction and post construction phases of the operation. the construction phase and the management of the business enterprise. All the different construction phases and the continuous running of the business enterprise require somewhat different skills.

In the construction area it is important that a manager possessed all of the technical skills. In fact there has been concern expressed that this may have diminished in importance over recent years. Also a Manager requires controlling, organising, planning and meeting skills. A good manager is a good coordinator and is able to plan and set targets as well as have a clear understanding of costing procedures, but above all be able to get on with people. Given the diversity of people involved from the initial plan to completion of the building, it is important that a manager/coordinator is able to cope with demands from the customer, the various providers of building products, sub-contractors and government representatives at all levels. Communications, planning, organising and budgeting skills are vital.

At the enterprise level the owner has recognised that financial skills were vital. This includes budgeting skills, ability to regulate cash flows, correct billing procedures (including follow-up), and the ability to deal with banks/financial institutions. The major problem for the smaller builder is the ability to balance costs and revenues, a problem for many small businesses especially during times of diminishing margins. Many builders are technically very competent but unable to translate this into a viable, on-going entity due to a lack of awareness of financial skills, especially the ability to negotiate with financial institutions that may be able to sustain a small company during financial difficulties.

The enterprise has recognised the skills needed by their staff and recognised that courses relating to building supervision, estimating, financial accounting and budgeting, computer skills, organising and planning are important. However, they recognise that along with other smaller builders they would find it very difficult to finance and allow for 'time-off' for appropriate training programs.

'Many builders are tradesmen, with Victoria having nearly 80% of its houses produced by small builders'.

Specific management skills that a typical small builder needs are marketing, financial control (including cash flow and budgeting), planning, organising and purchasing skills. The enterprise sees these as vital skills and has attempted to provide this training to all staff. It has also recognised that there are specific skills

required for a person who is moving from being a trades person to being a supervisor or a small builder. They include:

- Ability to deal with people
- Time management
- Learning to be an employee rather than self employed ('a cultural change') - the ability to take directions from another Line Manager
- Recognising the need for more training but recognising limitations
- The need for a longer term perspective
- Ability to handle a more controlled/directed workplace and the different stresses and strains of working for an organisation.

For training to be made easier for organisations similar to the enterprise, the following factors need to be accounted for:

- Training needs to be available outside normal working hours
- There is a need for supervised training incorporating direct feedback
- It should be part-time not block-time
- Qualifications are important (especially where it is vital for the business eg: Builder's registration in Victoria)
- Use of improved technology both by the builders and the educator provider
- There is a need for specific/targeted training in the areas of financial management, negotiating skills, planning skills and computer skills.

3.4.3 Summary and conclusion

The enterprise like many of the similar producers in the home building market is facing tough times. It may be experiencing an adequate turnover but their margins are much lower than previously experienced. There has been a major re-organisation within the company with decreased reliance on full time staff and increased responsibility for tasks in the supervision/management area being carried by smaller staff levels.

This enterprise believes that financial management skills, general organising skills and communication skills are vital in order to compete in this market. These skills should however augment an already high technical skill level. A problem in this industry is that a fair proportion of trades people who operate at the sub-contractor level have not been formally trained. Sub-contractors are trained by the 'look and learn' technique. In fact this company believes that there is a danger of focussing too much on general management skills and leaving technical skills behind.

A major area of interest for the enterprise has been 'Transition Training' for a person moving from being a self-employed sub-contractor to being an employee of a larger company. Typically, a person moving from the sub-contractor area may lack skills in the area of time management, dealing with people, recognising the need for training, ability to work within a more rigorous environment (for instance, time constraints) and planning. Many of the management of larger companies come from the sub-contractors areas.

4 — Interviews and Questionnaire Results

Executive summary

A total of 22 interviews were conducted with builders, sub-contractors and industry representatives throughout Australia. By means of a focused interview technique and a structured questionnaire, data were collected on three issues: a) current skill levels; b) management skills required in future and c) views on current training arrangements.

- a) Generally speaking there was a common concern about the level of management skills that were to be found in the housing industry at present. With few exceptions, builders noted the need to develop skills in financial management and to improve their project management to achieve greater efficiencies. In response to the set questions, most respondents noted that their own current skill levels were 'adequate' but noted that the management skill levels among others (eg small builders and sub-contractors) was generally low or inadequate.
- b) All builders and sub-contractors were able to identify some changes in their sector of the industry that might impact on their need for developing more or higher levels of management skills. Greater competition, the emphasis on quality, new technologies and client demands were all seen as requiring more management skills that often meant learning on-the-job to 'do more with less'. Training providers within the industry (HIA, MBA, CITC etc.) had a better overview of management training needs and how formal courses could address the changes.
- c) The data from the questionnaires (n=22) also clearly illustrates that most respondents perceived that all 14 management skill categories would be highly needed in the industry in future. However, there was also widespread recognition that current management skill levels were lower than what was required; that is there was a gap between current levels and future needs. Management skill categories with the highest gap score were: strategic planning and leadership. The categories with the smallest gap scores were: project management, statutory requirements updating, marketing management and dealing with people who manage information.

The findings on the need for further (formal) training were less clear, partly because many small builders recognised themselves that 'a lack of time' prevented them undertaking additional training in developing their management skills. Nevertheless the commitment by many participants to self-education (computing skills), learning from peers on the job (project management) or other forms of informal learning, suggested that formal training was not yet a high priority.

4.1 Method

The methodology used for interviewing participants in this study (n = 22) may be described as a structured interview that on average lasted approximately one hour.

The interview schedule (see Appendix) was piloted in late August and on the basis of the first three interviews in September, a further minor modification was made to separate the questionnaire from the open-ended discussion questions. The 60 minute interview was divided into three parts:

- i) an open-ended discussion (25 minutes)
 - ii) a structured questionnaire (15 minutes)
 - iii) a set of focused questions (20 minutes).
- i) The first part of the interview focuses on the respondent's personal views of current management skills levels within their own company or organisation. By not providing definitions of management skills, the respondent is asked to define what he/she believes are the most critical management skills needed at this level.

The analysis of data at this level has been clustered into three levels of management skill—senior, middle and supervisory, although many small building firms commented on the lack of hierarchy and levels and instead focused on the division of labour (on-site and off-site) required for getting the job done. That is there was increasing recognition of multi-skilling within levels and the need for team work and trust among the small number (2 or 3) of management.

- ii) The rationale for the structured format of the questionnaire stems from a need to gain more precise data on two perceptions on management skills: ie What do participants perceive as the current level of management skills possessed by people in their sector and what do they think is needed. The perceived differences between the two represents a 'gap' that might be filled by future training and other educational strategies.

The initial design of this questionnaire required specific responses to each sub-category on a long list of management skills. While these sub-components might represent elements of competence, it was found that respondents preferred to provide a global assessment *after discussing the sub-categories with the interviewer* who was there to provide clarification and explanation of each category. By completing the questionnaire on site there is a 100% return rate as well as ensuring that new terms and concepts (eg. Total Quality Management) can be explained immediately. Respondents preferred this procedure as preferable because it also helped to provide a clearer focus for the last set of discussion questions.

- iii) The opportunity to reflect on future trends (3–5 years) was generally well received and elicited some interesting general data as to industry-wide trends emerging in each state and Territory. Initially this section of the interview was often rushed because clear time parameters had usually been exceeded; with practice this component became more tightly structured around the 20 minute limit.

After some preliminary discussion, participants were asked if the conversation could be taped. No respondents refused and therefore the data that have been collected will be considerably more 'rich' in detail as well as in language. It is not planned to transcribe all the tapes. However, a content analysis will be made to ensure that each tape is used to build a 'rich picture' for each of the research questions.

Finally, a letter of thanks was sent to each participant noting their contribution and inviting them to read a copy of (an executive summary) of this report. The aim is to engage people in dialogue and thereby ensure that we have accurately portrayed their contributions and perceptions.

4.2 Results of the interviews

The findings on the need for further (formal) training were less clear, partly because many small builders recognised themselves that 'a lack of time' prevented them undertaking additional training in developing their management skills. Nevertheless the commitment by many participants to self-education (computing skills), learning from peers on the job (project management) or other forms of informal learning, suggested that formal training was not yet a high priority. The interview data that follows, probably explains why.

A structured Interview Schedule was used to record individual responses to the set questions. The interview data are summarised and the quotations from builders are used to illuminate the main ideas and trends found.

The distribution of interviewees in our sample are set out in Table 6.1; a list of participants is included in the Appendix.

Table 6.1 Distribution of Interviews in the Sample (n= 22)

a)	<i>Small home builders or sub-contractors (Turnover less than \$5 million)</i>	<i>N (12)</i>
b)	<i>Medium-Large home builders or sub-contractors (Turnover more than \$5 million)</i>	<i>(4)</i>
c)	<i>All builders or subcontractors - small-medium-large (as in a and b above)</i>	<i>(*)</i>
d)	<i>Industry representative (eg MBA, HIA, CEMFU)*</i>	<i>(6)</i>

** Industry representatives focused on all builders and sub-contractors who were part of their membership.*

Differences between the responses of small contractors/builders and medium to large builders were noted.

This finding is reflected in the first part of the interview data dealing with their perceptions of skills needed. Nevertheless it should be emphasised that this sample of interviewees only partially reflects the distribution of small, medium and large builders in the Australian population. The reader must decide to what extent these data illustrate industry wide trends in their sector of the housing industry in their state. Each interview lasted on average about one hour.

4.3 Part I: Views expressed on current management skill levels

*For: Small home builders or sub-contractors –
with a turnover of less than \$5 million*

Management skills for most small builders were split between on-the-job supervision and off-the-job management skills related to an office.

Those builders who had come through the conventional route of a trade apprenticeship and on-the-job experience, valued skills most directly associated with project management, managing sub-contractors and resources. Management skills related to 'keeping the books' were relegated to a member of the family or a partner. By contrast a number of small 'specialist' builders with tertiary qualifications, focused much more on financial management, customer relations, systems development, estimating, marketing and 'professionalism'. In turn they were often dependent on an experienced builder who preferred to be 'on-site' and whose practical skills in building, estimating, managing people etc.

complimented the 'managing director', located in the office. Most small builders spoke of the need for trust, loyalty and therefore emphasised the skill of selecting people who could work with them in a partnership or as part of a small team.

A selection of extracts from interviews illustrates their perceptions of current skill levels.

4.3.1 Managing finance

- "no profits = no company; my job is to make money"
- "you need ability to analyse prices, estimating, costing"
- "I know many builders who have gone broke..."
- "mum keeps the books and wages and paperwork"
- "builders are screwing sub-contractors—the margins are getting tighter all the time..."
- "You must know how to arrange on-going finance; this means: i) knowing how to price well and ii) how to manage bad debts".

4.3.2 Organising work

- "You must have good background knowledge of building—estimating, timing, dealing with subbies"
- "Since the recession we are doing more with less—I now use one site manager (instead of two) who I trust—he organises things"
- "My building supervisor manages day-to-day operations—he coordinates calling up materials when needed"
- "The key is time management and coordination".

4.3.3 People management

- The importance attached to this depends very much on which segment of the housing industry people worked in—for example, renovations, up-market town houses or houses required intense interaction with clients. People management therefore had several meanings, depending on the work context, including:
 - (a) *dealing with sub-contractors* to ensure they shared your standards, values and commitment to quality etc; and/or

- (b) *dealing with clients* directly to ensure that their needs were met—required marketing and communication skills; and/or
 - (c) *dealing with suppliers*, other professionals including bank managers, accountants.
- “Selecting people who you can trust is critical—there must be openness in communication—shared standards...” (renovator)
 - “Communication—it means letting them know who is in charge; but with them (subbies) I’m always fair”. (small builder)
 - “when I get me (sic) license, I know you’ve got to learn to talk properly to them” (sub-contractor)
 - “If we have any problems about how to handle a difficult client, we usually discuss it” (father & son partnership).

4.3.4 Being professional

Most builders widely agreed for the need to be more professional. However only a few could explain this in terms of management competencies, although most small builders included the following elements of competence:

- “We are in a specialised market and people demand more quality... Many builders lose clients because they are not professional in communicating with clients.”
- “We have set up systems so that we can be more efficient and deliver quality. We both are systematic people.”
- “They push out quality builders who are trying to be professional; because they cut prices and corners.”
- “Many sub-contractors also lack management skills.”

4.3.5 Other management skills

- “What management skills? Not sure which ones...”
- “This industry is unique because unlike most other industries, the great majority of its ‘managers’ have come from a trade background & have no formal management training. We need more training.”
- “Experienced builders are leaving the industry and we can’t replace them with university graduates.”
- “For us it is important to have recent information and the latest economic trends in the market.”

- “Plumbers are their own worst enemy—I think a course in negotiating skills would help.”

4.3.6 Summary

The majority of small builders saw the current levels of management skills in their sector of the housing industry as inadequate in some aspects (particularly finance and people skills). However, they also pointed out that the great majority of small builders and contractors had little time to upgrade their management skills. They emphasised that they were probably atypical in being more proactive in seeking out additional forms of management training while the majority of their peers were either too busy or did not see the need. The questionnaire data supports the general conclusion that all saw a gap between current levels and the need for future levels of management skills to improve. Perceptions of management skills that were perceived as most lacking were in each case related to the size of the operation.

4.4 Views on current management skill levels

*For: Medium-Large home builders or sub-contractors—
with a turnover of more than \$5 million*

The medium-sized building companies stress a functional distribution of management skills based on greater specialisation in off-the-job and on-the-job management skills. However, the managing director's role was often linked to an ability to monitor skills in all areas, particularly finance and strategic planning. Dealing with sub-contractors—people management was considered critical.

There are important variations between states that need to be considered, eg in Western Australia (viz. Perth) ten large companies do 60% of housing construction business. Also, sub-contractors are not licensed in WA, whereas in most other states they are licensed. Where there is no licensing, builders indicated that there is an increased pressure upon middle management and front-line supervisors to ensure efficiency and quality.

The medium to large builders reinforced what most of the smaller builders had identified but in addition emphasised the following views that current management skills levels need to be separated out as part of a functional division of management skills:

4.4.1 Senior Management

- Little data was available on how policy/ mission/ visions were set at the Board level and what skills were needed to manage change (eg in coping with ICAC or changes in government policies; new Acts; Quality Assurance etc). However, leadership skills were expected.
- Management skills were generally deemed adequate in finance & in keeping tabs on macro-economic trends, interest rates, etc.
- Keeping large projects running day-to-day—meant being able to monitor progress. Expected shortage in ‘experienced’ construction managers who had skills in (time management) and keeping good records of payments & accounts; university graduates lack experience.
- “We need to have ALL management skills at a high level.”

4.4.2 Middle management

There was often a strong separation between ‘office-based’ management skills of managing finance, marketing, sales, estimating and costing, with ‘on-the-job management skills’ associated with monitoring projects, time and resources management, people management and being able to coordinate a wide range of sub-contractors.

Current levels of middle management skills among people with a trade background were seen as inadequate for emerging demands in the industry to become more professional. However, successful managers of medium sized companies reported that they were ‘self-taught’ or had undertaken their own training and education in management skills (computing, finance, marketing, etc) as the need arose.. “You learnt because you had to survive.”

It is important to recognise that many small and medium-sized companies are being successfully run by persons who have developed an unconscious level of competence in management skills that relate to project management, people skills, finance and planning. They have acquired competence because of their ability to learn from experience and/or their ability to teach themselves what they need to learn.

These builders also identified peers and competitors who operated at an unconscious level of incompetence in those management skills (below the surface) where they didn’t know what they didn’t know about—eg cash flows, computing systems, quality assurance, OH&S, legislation, taxation and a whole range of other issues. The key elements they identified was a lack of interest in learning, in being trained or in changing systems to cope with a turbulent environment. The

attribution of failure amongst these builders and contractors was not in terms of their lack of training, but in their unwillingness to learn and to change.

In large companies, current management skills levels were judged adequate by the fact that their companies were evidence of success (surviving the recession and expanding today in a more competitive climate). Experienced building managers noted that they operated as a small project management team. Nevertheless there was concern that some management skills of sub-contractors often fell far below the standards expected—and there were too few supervisors monitoring the quality of work. Managing financial aspects were seen as crucial to success.

As the size and complexity of the building operations increase, the range and levels of management skills required also tends to increase. In addition the following trends appear to be emerging:

- Senior management is being drawn from non-trade backgrounds, eg marketing, finance or sales; middle management is 'selling products'
- Vertical integration with suppliers is increasing, creating new demands
- Quality assurance initiatives from some manufacturers are impacting on the industry standards - has ripple effect on contractors used/ not used
- Clients are demanding higher standards of professionalism.

4.5 Part II: Which management skills are considered most important?

There are two sources of information on this question, the data from the questionnaires and the data from the interviews.

4.5.1 Summary of questionnaire data

The following key findings have been extracted from the questionnaire data. Participants were asked to assess a total of fourteen separate management skills (organised into four broad groupings):

- All fourteen management skills categories were seen as 'very highly needed' in future
- Six skills rated highest were: project management; strategic planning; financial management; expenditure analysis; leadership and communication
- The perception of skills currently possessed in the industry were rated lower (not surprisingly).

Areas that were given the highest score of currently possessed skills were: project management; financial management; statutory requirements and OH&S. The largest gaps between current and future skills needed were for strategic planning and leadership.

Medium sized gaps were identified in the following management skills: quality management; financial management; expenditure analysis; dealing with people in finance; HRM; communication; administrative management and OH&S.

The smallest gap scores were found to be in project management; statutory requirements updating; marketing management; dealing with people who manage information.

Additional data analysis of the questionnaires showed that globally the three management skills rated most highly in terms of perceived importance to success were: 1) financial management; 2) communication; 3) project management.

The views of the 22 interviewees are summarised in TABLE 6.2 Each set of views are linked to the size of the operation or sector of the housing construction industry. There was generally consensus among builders that the best way to learn these skills was 'by doing it' because there was no substitute for experiential learning. Priority order was based on comments made on the questionnaires.

Table 6.2 Management skills needed in the housing industry

SIZE	MANAGEMENT SKILLS	PRIORITY ORDER
Small Companies	<i>'All the management skills are important for survival'</i>	
	■ Managing people—particularly communication skills	1
	■ Financial management—budgeting cash flow & costs	2
	■ Project management and strategic management	3
Medium size companies	<i>'My partner and I split responsibilities for management'</i>	
	■ Managing sub-contractors—monitoring work through a systems approach; planning as a team	1
	■ Financial management—highly geared for bigger turnover; reducing margins requires expert advice	2
	■ Strategic planning through expertise—bought in	3
Large companies	<i>'Timing and budgets are most critical in large contracts'</i>	
	■ Project management (including time management)	1
	■ Marketing and sales skills linked to better quality assurance	2
	■ People management skills (in boom-bust climate)—related to HRD management skills eg training, interviewing	3
Industry-wide view	<i>'Many sub-contractors lack management skills' :</i>	
	■ Small builders need better financial skills and 'estimator of cost' skills to survive in a competitive/ turbulent environment	1
	■ Registration of builders should be linked to tighter training requirements—but no uniform policies; autonomy of states	2
	■ Managing people (in large companies) is at 'arms length'; lack skills in dispute resolution; communication with clients	3
	■ Managing projects—inadequate supervision; problem of boom-bust reflects lack of strategic management skills	

Further key finding included:

- Small builders tended to focus their management skills on the task & the project
- Medium sized builders focused more on systems and processes of managing efficiently. Pricing is critical on large jobs therefore there is a need to systematise tendering and reviewing quotations (three quotes for everything); *'managing the bottom line is the key'*
- The increase in litigation by clients forces large builders to carefully monitor all building codes, regulations and ordinances—this means sub-contractors must also be better informed
- In large companies, marketing, advertising, promotional activities and relations with the public is being handled increasingly by non-builders who are *'selling houses as products'*.

4.6 Part III: Future trends

Builders themselves tended to identify future trends at the local or state level. Industry representatives were able to provide a broader 'big picture' view of anticipated changes. Within these there were still state differences.

4.6.1 Queensland

- "small builders are heading for a crisis."

Because of the influx of many small builders and contractors who lack adequate financial management and planning skills, more competition. Many builders acknowledged the need to 'buy-in' specialist expertise for the future in:

- computing skills (specialist software for large builders) or M.Y.O.B.
- market researchers and 'sales consultants'
- financial advice (accountants).

They believed their skills (learnt mainly on the job) constantly needed up-grading as part of their normal business survival, yet *many small builders and contractors were oblivious of this need.*

Although there had been significant growth in SE Queensland, it had also come at a cost in ever-decreasing margins which had forced out some 'quality' builders because of price.

4.6.2 New South Wales

Strong growth in some sectors of the industry (medium density; up-market town houses and project homes) has created stiffer competition. eg in Newcastle and the Central Coast there are signs of growth but local builders are feeling the competition from Sydney builders. Trends:

- "Buying a house will be like buying a product in the supermarket"
- Modularisation can mean that more and more electrical and plumbing will be installed off-the-job by 'fabricators' as a manufacturing process
- Suppliers and manufacturers are demanding more Quality Assurance processes be put in place on large building projects; some steel frames
- Clients for specialist builders, renovators etc. are being more demanding
- Linked with trends towards litigation is forcing builders to monitor the work of sub-contractors more carefully
- Sub-contractors are cutting their margins because of competition— *"The best motivation for changing their standards is money"*.

4.6.3 Victoria

Although most builders reported considerable increase in competition there was also a degree of optimism that the recession was over and that there would be growth in future. Trends:

- Anticipate a shift to more middle managers leaving the industry
- More small builders will experience financial problems—most are too busy working to become involved with learning finance skills
- Australian (quality) standards flow-on from commercial builders will gradually impact on raising standards of builders & contractors, if....
- More regulatory controls over builder registration (still sensitive) because of pre-requisite criteria (experience/time serving) and attendance at 7–10 day courses, versus demands for competency-based training & assessment.

4.6.4 Western Australia

The dominance of ten large building companies (in Perth) controlling 60% of the business has seen the emergence of two layers of management: a) senior management from a non-trade background emphasising the importance of people management skills, marketing and financial management and b) middle managers drawn from a trade background who are being re-trained as 'sales consultants, contract administrators and pre-start consultants'.

- There will be more, large, commercial building companies that will have horizontal integration—big will become bigger
- More research is being done into the housing sector to identify needs for training and management (see the Labor Demand Survey, 1994)
- More project homes and more mass production and marketing 'products'
- More pressures to license all sub-contractors to maintain quality.

4.6.5 South Australia

Evidence of decline in the market is being felt by both large and small builders. Managers need to be able to manage through different economic cycles (anticipate bust and boom).

Trends:

- Increase in bureaucratic controls—particularly at Local Government levels
- Too many layers of government were seen to be interfering in 'the planning controls over the housing industry are archaic'
- Experienced (aging) sub-contractors are not being replaced because not enough vacancies for qualified youth
- The MBA was not seen to be effective in training; HIA plays major role
- This industry is still 'low tech' it will need to develop better skills in computing, time management, contracting performance standards to 'best practice'.

In addition to these priorities on which there was reasonable consensus, the view emerged that while 'we are willing to learn and change', increased levels of competition among many sub-contractors is highlighting a lack of skills and this is undermining sections of the housing industry. Many builders don't see the problems and don't seem to care (a recent survey to builders in Qld produced a 15% return rate). Interest in further training appears to be low—eg in Victoria out of 8000 brochures sent to builders on a building industry conference, only 100

replied. On the other hand the recession in NSW was perceived to have 'weeded out' the inefficient or 'shonky' builders and contractors.

Yet the evidence nationally is strong that there is good management of innovations (adoption of mobile phones, computers and new building products). The perceptions of the HIA and MBA in promoting innovations and change and up-grading skills (including management skills), varied from state to state. As a generalisation, representatives of these organisations tended to express positive views on training ideals that were (not unexpectedly) more progressive than those of the bulk of their membership.

4.7 Anticipated changes in the industry in the next 3–5 years

The list of anticipated changes (TABLE 6.3) were not all seen as having immediate implications for further training in management skills development, however, there was tacit recognition from all participants that each sector and the industry as a whole had to anticipate the following changes that might have differential impact on small, medium and large builders:

Table 6.3 Anticipated changes and the need for management skills

CHANGES BY SECTOR	MANAGEMENT SKILLS REQUIRED
<p>a) <i>Small builders</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> More segmentation; speciality builders <input type="checkbox"/> Managing more by remote control <input type="checkbox"/> Small builders are being squeezed out <input type="checkbox"/> Changes in registration requirements planned 	<p>Project coordination skills</p> <p>Better people management skills</p> <p>Financial management</p>
<p>b) <i>Medium-Large builders</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Changes in size, style & type of housing <input type="checkbox"/> More medium density; decline in contract housing; improvement in quality 	<p>Need management skills across the board</p> <p>Quality assurance and marketing</p> <p>Strategic planning</p>
<p>c) <i>Industry-wide trends</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Reduction in the number of employees; more sub-contractors & specialist services bought <input type="checkbox"/> Move to modular design, pre-assembly; <input type="checkbox"/> Some export market of 'products' and a move to quality controls. 	<p>Some perceptions of a lack of leadership</p> <p>Sub-contractors non-technical skills level</p> <p>Need up-grading, incl. finance & PR</p> <p>Middle management need new skills in quality production, coordination and supervision</p>

4.8 Part IV: Provisions for management training

In summary, most builders provided evidence of acquiring considerable management skills through experience and some forms of formal, off-the-job training. Evidence of specialised management training increased in direct proportion to the size of the enterprise.

Management training opportunities were considered 'adequate' but the take up level remained extremely low, particularly among smaller builders and contractors. Access is limited by time constraints and the fact that small companies cannot afford to spare staff to be absent from the workplace during normal working hours. Few builders offered original solutions to the dilemma.

There was also little evidence that most building companies have a systematic management skills training program; the exceptions were the very large housing construction builders. Computer training courses and short management workshops were undertaken on a 'Just-in-Time' basis.

The common culture in housing construction is still a heavy reliance on individuals learning through experience, on-the-job and in response to needs as they arise. There was not a lot of faith in formal courses (eg delivered by TAFE), however, Skillshare was seen as useful. Private providers (training consultants) are used but with considerable scepticism if not directly linked to the industry. In a large part of the industry (particularly sub-contractors) there was 'no culture of continuous learning', yet most interviewees themselves admitted to teaching themselves—estimating, computing, design, marketing and financial management. Successful builders and contractors talked about their own interest in learning new management skills rather than focusing on training and training providers per se.

Many interviewees felt they were the exception rather than the norm as far as learning and developing management skills was concerned. Some innovative suggestions for management training included :

- a) **At the apprenticeship level (TAFE)**
 - prepare some modules on management training in the final years
 - an activity building training levy (1.5%?) set aside for training needs
 - a trainers' guide for master builders for on-the-job training.

b) **At the graduate, building degree level (University)**

- ensure that part of the course is completed on-the-job, but that an incentive (for training) under-graduate students should be a payment to employers
- a guide for Builders to facilitate the learning of management skills
- set up a system of cadetships for the Building industry.

c) **New accreditation requirements linked to compulsory training**

- the move towards national competency standards (not yet widely known)
- training in management skills should be provided through week-end workshops by successful builders working in conjunction with training providers (AIM; universities, HIA. and MBA etc) Experiential learning, role play, simulation
- some form of recognition of prior learning skills in management...?

(This issue was heavily supported by training providers but not by builders)

- a specialist service to builders who need short courses (through MBA or HIA) eg managing security issues or specialist software packages in estimating.

d) **Creating a need for further training**

- encouraging large builders to train sub-contractors on the job : subsidies?
- publicity campaign for small builders—using training needs analysis data to design short courses that are accredited towards a Management Certificate in Building
- teaching TAFE staff to market their management training courses to the needs of the Building Industry; (linking Schools of Building with Schools of Management)
- sponsoring research into the needs in the industry at the state level (see Western Australia model)—joint funding from HIA and government?

5 — Focus Groups

Executive Summary

■ *Current level of management skills*

There appears to be a two-fold understanding of the current level of management skills in the housing construction industry.

On the one hand the medium to large builders have an increasing awareness of the current level of management skills within their own organisations. Further, the importance of growing and enhancing such skill development is recognised as an integral part of effective organisation practice. An industry level understanding is reflected in this awareness, with a number of large builders referring to the improving standards of management skills in the industry and the need to foster such skill development in the large subcontractor base the industry supports.

On the other hand, small home builders reflect a lower awareness. Here business success is seen as by necessity incorporating some level of management skills, however the nature of such skills are rarely articulated. As a consequence an understanding of the management skill levels in their own organisations is often limited and the need for future training or skill development is unrecognised. Management skills are seen as predominantly learned on the job and through experience and therefore there is a shared scepticism of the need for formal management training.

■ *Required future level of management skills*

Again a two-fold awareness is apparent. The medium and larger home builders strongly articulate the need for increased management skill competencies and training at all levels. There is a keen awareness of the changing nature of the industry and in particular the growing sophistication of the client market. The need for increased competitive advantage reflected in such factors as excellence in customer service, quality assurance, innovative designs, marketing expertise, money management, communication skills and strategic focus is evident. While price competition is strong in the industry, there is an increasing understanding that it is people based, management skills that create the framework for attainment of competitive advantage as set out above.

At the small home builders level, while there is a growing recognition that management skills are a requirement for effective business practice (usually viewed as business success and survival), such recognition appears to be at its earliest

stages. The need to adopt a long term, strategic focus with regards to management skills training is not recognised. Training through the school of hard knocks was seen as an adequate way of gaining management know how. The need to train small home builders - to recognise the value of management skills training - appears to be a prerequisite to the skill training itself.

5.1 Aim and method

The aim of the focus groups was:

To gather data on critical management skill requirements in the housing industry, across differing sectors and across differing management levels.

Focus groups were conducted in six locations: Adelaide, Brisbane, Melbourne, Newcastle, Perth, and Sydney. The groups represented the interests of small, medium and large home builders. However the sample also included a couple of subcontractors, a building consultant and an industry trainer.

The focus groups were conducted over a three hour period. Key points were recorded on butcher's paper by a scribe and with the permission of the members, some sessions were audio-taped. Frank and open discussion unearthed valuable data.

Four key questions were presented for discussion:

- 1 *What major changes have you seen in the housing construction industry over the last 3 years?*
- 2 *Which management skills do you consider to be of importance in achieving effective performance in the housing construction industry?*
- 3 *How would you evaluate the current arrangements and access to management skills training in the industry?*
4. *What suggestions could you make for improving training and development in management skills, in the industry?*

5.2 Outcomes of the focus groups

5.2.1 Major industry changes

Major industry changes over the last three years were seen by most focus group participants as directly related to the downturn in the economy. The industry's

sensitivity to the economic climate is recognised as part and parcel of the business and a critical factor in the fortunes of the industry.

This has led to an increase in intensive marketing and entrepreneurial strategies, with an increase in cost orientation and price driven competition. Consumer awareness, knowledge and sophistication has also increased. In response to these developments medium and large home builders have become more professional.

The Melbourne focus group in particular pointed to the growth of the 'mega-builder', whose cost driven pricing strategies have generated price competition in the industry. They highlighted the place of boutique builders as a source of competitive advantage. Sydney experienced an influx of small inexperienced builders.

Other developments included the introduction of new materials (steel frames), greater product diversity, and more government regulation.

Forecast trends over the next 3–5 years reflected a sense of uncertainty about economic recovery and government reactive political strategies, an increase in government regulations, an increase in quality assurance and design requirements driven by consumer and media pressures, an increase in the need for a qualified and multiskilled workforce and workplace sophistication with advances in computer technology and differing work place practices including franchising and strategic alliances. The growth of the mega builder and the concept of the 'one stop shopping' in the home buying market was seen as a potential that would greatly impact on the industry.

Perspective's on changes in the industry reflected the differing knowledge base of the industry sector being represented, with medium to large home builders showing a greater level of industry rather than provincial knowledge. However the overall findings reflect commonly recognised elements.

5.2.2 Management skills

There are essentially two components to this question: 'what management skills are most important (now) in (your) sector of the housing industry' and 'which ones will be needed in the future to cope with the changes listed'.

Skill categories that were seen as most important by the larger home builders now, reflected a strategic orientation that included the following:

Money management—including estimating, costing, targeting, budgeting, identifying profit margins, measuring overheads, managing cash flows, presentation of financial reports and liaising with financial institutions.

Customer service—including a service mentality of excellence which includes client communication at all levels. Issues of building client confidence, assessing client viability, greater professionalism in client presentation, keeping clients informed and handling client grievances were all seen as of critical importance.

Quality assurance—including best practices, technical expertise, computer knowledge, administrative systems, client relations, staff relations and creating of image.

People and communication skills—seen as a fundamental prerequisite to client service, staff relations, supervision, motivation and the building of mutual trust across all levels of the organisation. A particular emphasis was placed on this function in relation to subcontractors.

Design innovations—including the need to remain market conscious, keep up to date and offer creative design leadership.

Recruitment strategies—including hiring, training, rewards and assessment, both in relation to own staff and subcontracted staff.

On being questioned about the importance of strategic thinking, the response highlighted a perceived difficulty in such planning because of the unstable nature of the housing industry sector and the pace of change in the industry. However a strategic intent was evident in the categories of management skills nominated as important by these organisations and in the examples given of implementation of such strategies within their own organisations eg quality assurance, customer focus, innovations in design, marketing intelligence and cost consciousness pricing.

In particular the skill requirements seen as important into the future reflected such strategic concerns. These included the importance of maintaining quality assurance, through recruiting, training and human resource practices that ensured top quality personnel were available and high standards of operation maintained.

The need to *recruit and retain top quality personnel* was a key area of concern among the medium and small home builders as well. While the strategic orientation was not evident, their concern with the availability and recruitment of adequately trained trade staff and the need for management to have the skills to be able to appropriately supervise and assess their level of competency was seen as a critical issue. The sub-contractor industry structure was seen as a particular

problem in this regard as it does not lend itself to direct control lines for management interventions. Further skill development and training in these areas was seen as particularly low. There appear to be some attempts in the large home builders sector to begin to address these issues.

Skill categories that were seen as most important by the medium and smaller home builders now, reflected more of a management rather than a strategic focus and included the broad based categories of planning, leading, organising, controlling and staffing functions as outlined below.

Planning—including market and design planning, project and job planning, budget planning, estimating, client assessment, profit and sales projections.

Leading—including motivating, mentoring, delegating, problem solving, decision making and communicating. People skills and self knowledge as a prime driver of the above.

Organising—including project management, supervision, enacting strategic and tactical decisions, presentation of reports, critical path analysis, organising trades people, purchasing, communicating at all levels, negotiation and conflict resolution skills, time management and the management of personal stress.

Controlling—including book keeping and financial controls, information management, site supervision, quality assurance, using consultancy advice, liaising with financial and legal institutions and managing legislative and council requirements.

Staffing—including selection, recruitment, training, appraisal, remuneration, ensuring staff satisfaction, and career path development.

Generally a sense of growing professionalism was seen as a requirement across the board to ensure customer satisfaction and business survival into the future.

Further, the use of computer technology as a valuable resource was acknowledged as a critical area of future industry competency.

It is important to highlight that a number of respondents in the small home builder category, felt that management skills are and can be learned on the job and that learning through the 'school of hard knocks' is still a viable option. Further many of these respondents felt that where necessary, management skills could be bought in or carried out by partners. The need for management skills training were not seen to be as important by this group as by the medium and large home builder group.

5.2.3 Evaluation of current training

Again a two-fold focus emerges with medium to large home builders being more aware of the range of management skill training opportunities available to them. Small home builders on the other hand, seemed to be less knowledgeable about course offers. The level of knowledge seemed to be directly related to the level of interest in pursuing such courses.

On the whole however, a consensus emerges across sectors that course availability is not a critical issue. However course relevance, time constraints re attending courses, and cost of courses were seen as problematic across sectors.

The issue of lack of motivation for training, lack of industry and organisation support, and relevancy was raised in various forms in both sectors.

A secondary issue raised by both sectors concerned the developing scarcity of trained people in the trade and technical areas, due to limitations in apprenticeship training. This was seen to be a critical issue by all.

Relevancy of courses was frequently mentioned as an issue with particular emphasis on inadequate levels of management training in some courses and the need to link course content to career path development and the specific needs of the housing construction industry. The Melbourne and Perth groups in particular felt the lack of courses specifically geared to industry requirements.

While many of the short courses were seen as offering value, a critical issue raised by most groups related to the lack of time builders had to attend such courses and the fact that most of these courses were attended by 'true believers and the converted'. The need to create awareness of the importance of management skills training was highlighted.

Industry support was seen as inadequate in creating a climate that fostered and alerted the industry to the need for training and development and to attracting course attendance. This was seen as a particular point of focus that industry associations need to urgently address. A marketing perspective was recommended. The cost of courses was also seen as a factor inhibiting attendance among small home builders.

5.2.4 Suggestions for improving training and development in the industry

Suggestions for changes in management skills training reflected firstly, the need for increasing the awareness of the need to participate in training provided through industry initiatives. A marketing perspective was recommended to target the

differing industry groups including large home builders, small home builders, sub-contractors and new entrants (apprenticeships and new home builders). The need for industry and organisational support in this area was reasserted.

Motivation to train was seen as a critical issue with variable motivation between younger people and the old timers and between large and small builders. This was seen as a particular problem among sub-contractors. The point was raised that small builders may not even know that they have a lack of skills and therefore do not see the need for improvement. As noted above the need to raise the level of awareness in the industry was a paramount concern. This related both to the need for training, at the small home builder level of the industry and the availability of relevant courses at the medium and large home builder levels of the industry.

It is important to note that while medium and large home builders recognised - as critical to industry success - the need for training and competency development across all categories of skills, it was clearly an underdeveloped aspect of management practice.

The issue of company secrecy in a competitive market was raised. It was felt that any industry initiative where companies came together to jointly address an industry issue, networking and learning from each other was an innovative approach. Further bringing together industry members at the same level from different industry groups would be a useful learning process. Use of industry leaders, guest speakers and case studies of successful builders was seen as a way of increasing course credibility as was the need to use accredited trainers. A market niche was identified for expert industry consultants, acting as trainers in the industry.

The need to develop accredited trainers and link training to stages in career development was also raised. Accreditation of existing skills was also seen as a positive move to build self esteem and to promote the value of skill learning. Issues of setting competency standards and assessment of such standards was seen as an important area of development. Mandatory courses and refresher course updates were suggested as a way of maintaining and updating skill development, as was the need to undertake needs and content analyses to ensure course relevancy.

Access to video and audio cassettes was seen as a valuable option for those who were under time and cost constraints as was the development of a management kit for site managers, supervisors etc.

A final comment was made that the 'she'll be right' cultural mentality still mitigates against a service of excellence. A service of excellence would naturally incorporate training and development. It was thought that to some extent it is precisely these old cultural attitudes that need to be changed.

— Conclusions and future directions

6.1 Current levels of management skills in the housing industry

Most of the information on current management skills levels was obtained from the interviews, questionnaires, and focus groups. The sample, although not numerically extensive, involved a broad cross-section from within the industry to obtain the best quality data. The main findings are:

- Among small builders there is a lack of participation in management skills training despite extensive amounts of information provided by the Industry Associations. This suggests a lack of awareness about the value of undertaking management training.
- Medium to large size builders tend to have a greater awareness of management skills and are more likely to value financial skills and other management skills.
- Management skills are usually learnt informally, rather than through formal courses
- Advancement to management positions or starting a business in the housing industry is usually rapid after the completion of technical/trade qualifications, and occurs without any formal management training
- A high percentage of the small business failures in the housing industry is attributed to the lack of management skills possessed by the business owners.

Clearly there is a need to raise participation rates in management training and a promotion of the 'valuing' of the management skills required for success in the housing industry - particularly among small builders, sub-contractors and those starting businesses in the industry. An additional question was raised about the level of capital adequacy which exists in the industry. Awareness of the need for capital planning and the on-going investment in, and management of capital was mentioned as very important and perhaps not given appropriate status in current management training.

6.2 Future management skills required

Information on management skills required was obtained in all components of the project. An issue to emerge is the differentiation of the needs of small builders and medium to large builders. Although there is much overlap in the management skill requirements, medium and large builders require a higher level of management skills in:

- *customer service*

- *quality assurance*
- *innovative design*
- *marketing*
- *financial management*
- *communication skills*
- *strategic focus*
- *people management*

Indeed, 'best practice' procedures call for these skills to be integrated and in operation throughout the company.

All fourteen management skills in the survey were identified as required at 'moderate' to 'high' skill levels in the housing industry. The fourteen management skills are:

managing operations

project management

strategic planning

quality management

managing finance

financial management

statutory requirements

expenditure analysis

dealing with people in finance

managing people

leadership

human resource management

communication

managing information

administrative management

marketing

OHS management

dealing with people who manage information

Of the above, the greatest gap between current skill levels and required skill levels are perceived to be in the areas of ***strategic planning and leadership***.

The survey used obtained skill levels for each of the fourteen key management skills. Four skill levels may be applied, to give a skills matrix as shown in Figure 6.1. This matrix may be used by people in the housing industry as a convenient, quick and broad check of

their current management skill profile. The matrix therefore can be used to identify potential training needs.

Figure 6.1 Management skills matrix for the housing industry

	0	1	2	3
	Uninformed - no awareness of skill or need of it	Awareness - accepting need of the skill	Competence - acquired some knowledge and experience	Mastery - knowledge of current principles with extensive experience
MANAGEMENT SKILLS				
a	Project management			
b	Strategic planning			
c	Quality management			
d	Financial management			
e	Statutory requirements			
f	Expenditure analysis			
g	Dealing with people in finance			
h	Leadership			
i	Human resource management			
j	Communication			
k	Administrative management			
l	Marketing			
m	OHS management			
n	Dealing with people who manage information			

Other issues related to management skill requirements are:

- There is a trend away from the 'macho' style of builder to a style characterised by professionalism, service and quality
- Related to the above trend, is the greater need for higher levels of communication and interpersonal skills
- Skills are required to manage the transition from boom to bust conditions and the transition from bust to boom conditions. In particular, change management skills are required
- Many of the management skills required are generic—that is, they are not specific to the housing industry
- The perceptions of skills needed and the range of management skills required are different for small builders compared with medium to large builders

- Skills associated with the wider application of computers to finance, design, accounting, project management, estimating and planning were identified as critical skills for the future by medium to large builders
- New skills are associated with new products, systems and award restructuring.

6.3 Views on current training and suggested changes

The views on current management training for the housing industry presented in this report are based on the perceptions of those in the industry, ranging from small to large builders and sub-contractors, rather than the views of training providers. Sometimes the views expressed were acknowledged by the person interviewed as being 'out of date' due to lack of recent experience with a training provider. This is particularly so for TAFE training, which most people in the industry had experienced through apprenticeship training. For many of those interviewed or attending focus groups, the most recent experience of TAFE training dates back over 20 years ago. However, negative perceptions of training by people in the industry, whether based on current or past experiences, need to be addressed by training providers if the full target market for continuing training is to be reached.

The following list is a direct record of views presented by participants and have not been re-interpreted by the researchers. Identified are the most commonly held views on management skills training for the housing industry:

- In spite of extensive efforts made by the industry associations to provide information about and encourage participation in management training activities - obtaining involvement remains a problem. This problem is viewed, not so much as an a lack of awareness of the range of management skills training available, but rather a lack of valuing of the benefits which can come from participating.
- There is very little expenditure on management training by the industry, especially by the small builders
- The benefits of management training are often not seen as justifying the cost
- There are no clear competency standards for management in the housing industry
- The time required to attend formal courses covering management skills is seen as a major impediment, particularly for small to medium size builders
- TAFE is identified as a potential source of management skills training but some in the industry have vivid memories of 'irrelevant' TAFE technical courses and feel that changes are required
- Inclusion of management skills in initial vocational preparation, including trade apprenticeships, was suggested by some in the industry

- A new entry level course on home building, at certificate or advanced certificate level, should be introduced. The training could be offered as an apprenticeship with builders or as a full-time course with half year or one year periods of work placement
- Mandatory refresher courses in management skills as a requirement for retaining building contractor's licence was suggested by some respondents
- Greater support by the enterprise and the industry for management skills training was suggested by many respondents
- A suggestion is an education program for builders and sub-contractors on the value of management skills training
- Another suggestion is the formation of a panel of master builders to provide practical advice and training to those starting their own business in the industry
- Appropriately designed and marketed audio and video packages were seen as a solution to the lack of time available to attend formal training
- The marketing of any management skills training requires different strategies for small builders and large builders
- Better information about options available for management skills training is required (for example, action learning, courses conducted on the job and so on)
- Need more interactive management training courses linked to practical case studies—eg problem solving and 'hypotheticals'
- Management skills acquired informally could be accredited through some form of assessment and recognition of prior learning (RPL)
- There needs to be better marketing links in relation to existing courses provided by industry bodies such as the HIA, MBA and others and the formal providers such as TAFE.

6.4 Recommendations

Based on the findings of this study and the suggestions offered by industry representatives, we make the following recommendations which have two broad aims:

- expand formal training in management skills at entry level
- to greatly increase access to continuing training in management skills for small builders and sub-contractors.

6.4.1 Entry level training

Market changes and the perennial fluctuations in economic cycles demand good strategic and marketing skills. In addition, Government regulation of the building industry and changes to taxation laws have placed significant administrative

burdens on builders and sub-contractors. Yet most small builders and sub-contractors have no formal training in management skills. Although many business failures are a direct result of the broad economic influences and policies (which operate beyond the industry) this study contends that improvements can be made as a consequence of improved management practices across the industry. For example, this study has shown that many small builders and sub-contractors move quickly into their own businesses. It thus makes sense to target entry level courses, including trade courses, for at least key management skills training. Indeed, up to 20% of the off-the-job component of trade training could comprise management skills training. To maintain sufficient time for trade and technical skills training, some courses could be extended to accommodate the management content.

An additional and complementary strategy is the development of new courses with a greater emphasis on project management and other management skills—to reach a range of trades and for those wanting to move quickly into starting a house building business. This strategy also calls for a support to be given to promoting an appreciation of the value of management training, and the potential value-adding which can be a consequence of participation.

Recommendation 1

Entry level courses for the building industry, of three years duration or longer, if they do not already do so, include some management and financial skills training appropriate for those starting a small business in the housing industry. This would apply to trade apprenticeship courses, associate diploma and degree courses. Trainees seeking a career in commercial construction or civil engineering could be offered alternative modules suitable for that sector.

Recommendation 2

'Best Practice' models in management skills training, particularly those in entry level courses, be sought and promoted amongst training providers for the building industry. Consideration needs to be given to extending the roles of the industry associations in relation to the provision of management training - particularly at the entry level. This could include enhanced articulation into some courses provided by TAFE.

Recommendation 3

Industry training providers in each state and territory consider filling the gaps in the range of short courses currently available—compared with the management skills needed, as identified in this study.

Recommendation 4

The relevant industry associations should work in close concert with and advise the formal management training providers such as TAFE on the dissemination of information about courses available to those entering the building industry. For

example stronger linkages between the industry associations and formal course providers such as TAFE are required to promote awareness and participation in management skills training.

6.4.2 Continuing education and training

Only a small proportion of builders and sub-contractors take up opportunities to train or undertake formal courses on management skills. A higher proportion of builders take up training opportunities, often provided free of charge by building materials suppliers, in new materials and new building techniques. Cost of training, the time required, and inconvenience (regarding the time and place of training) have been identified in this study as key impediments to training. Other impeding factors include lack of awareness of the need to acquire new skills, and lack of participation in and valuing of training opportunities which are available.

A key finding of the study has been that the greatest need for management skills training is with small builders (turnover of under \$5 million) rather than medium or large builders. For this reason most of the recommendations target small builders although medium and large builders will still benefit from their implementation through improved management of associated sub-contracting businesses.

Recommendation 5

An extensive marketing program needs to be devised to increase participation by small builders and sub-contractors in the management skills training being developed and offered. Such a program should be coordinated by an appropriate industry body in conjunction with a major formal course provider such as TAFE.

Recommendation 6

The extensive marketing program should be based on, or link with, similar initiatives arising from the Karpin Task Force on Management. Liaison and consultation with the Australian National Training Authority (ANTA) is recommended to ensure housing-specific training initiatives are planned.

(NB This task force represents a major Federal Government initiative which is required to make recommendations about future directions in management education and training in Australia. Implementation of the Karpin recommendations could be expected to impact upon all industries).

Recommendation 7

A project be funded to develop distance learning programs covering the management skills identified in this study. The project should encompass the information uses of computers, video packages and other self-paced material which are attractive and easy to access. For example they need to be portable - to be used in the workplace or at home after hours by builders, sub-contractors. and spouses

who are involved in managing the company. As with recommendation 6, the project should link with any similar initiative arising from the Karpin Task Force on Management.

Recommendation 8

Stronger 'learning cultures' within the larger companies need to be promoted. For example there is a need to identify 'best practice' models of in-house management training and staff development in management skills—for use within the larger building companies. A broader range of management training strategies for individual employees of the larger companies needs to be developed and include more systematic use of experienced builder-managers (for example through coaching and mentoring) in promoting the links between training and career development.

In summary, the recommendations respond to the need to promote the benefits from participating in management skills development. They highlight the need for better co-ordination of marketing of available industry-led training with major formal providers such as TAFE. The need to develop innovative and flexible training initiatives such as distance learning packages, action learning and site-based action research projects, which will be enticing to small builders and subcontractors as well as the employees of larger building firms, has been highlighted. These are critical challenges for the future of management skills training in this industry.

APPENDIX

Interview Schedule

Study of management skills in the housing industry

Thank you for taking time out to provide your views on management skills in your sector of the housing construction industry. Your contribution will help in preparing a national report, based on the views of a wide-cross section of people in the industry.

We are attempting to find answers to three key questions:

- a) What are the current skills levels in this sector of the industry?
- b) What management skills will be required in future?
- c) What are your views on current training arrangements?

-
- 1 What is your position
 - 3 Name of company
 - 4 Sector of housing industry
-

Part I: Your views on current management skills levels

From your perspective, (in this company/ organisation), how would you describe the job titles and the different levels of management skills required in this sector of the housing construction industry. For example:

Management Level	Job Titles in your company or organisation	What are the most critical management skills needed at this level?
1 Senior level		
2 Middle level		
3 Front-Line/ Supervisor levels		

Questionnaire instructions

This section asks you to rate what level of skill people in the industry possess now and what level will be needed in 3–5 years time.

Please complete this section yourself by writing a number (1, 2 or 3) in each of the brackets for each item. If the item listed is Not Applicable in your opinion, please write N/A beside it.

Which level of skills?

(Write 1, 2 or 3 in each bracket, where 1= low; 2 = medium, 3= high skills level)

Sample

What is your estimation of the *level of management skills* in this sector of the housing industry? Answer each section in two parts:

	<i>Currently Possess</i>	<i>Needed in in future</i>
<i>eg Manage work</i>	()	()

1 **Managing operations**

Describe the level of skills management currently needed to do the job in terms of:

- | | Currently
Possess | Needed
in future |
|--|----------------------|---------------------|
| 1.1 Project management: this may include eg: | () | () |
| ■ dealing with suppliers | | |
| ■ sub-contractor relationships | | |
| ■ budgeting | | |
| ■ controlling of costs | | |
| ■ time management | | |
| ■ insurance | | |
| 1.2 Strategic planning: this may include eg: | () | () |
| ■ strategic thinking (eg next job) | | |
| ■ dealing with innovations (eg modular) | | |
| ■ strategic planning (eg next 3 years) | | |
| ■ establishing business plan | | |

- 1.3 Quality management: this may include eg: () ()
- quality assurance methods used
 - monitoring quality improvements
 - total quality management tools
(eg flow charts, graphs etc)
 - best practice

From the above list, which management skills are very important in your sector of the housing construction industry?

.....

.....

.....

2	Managing finance	Currently Possess	Needed in future
2.1	Financial management: this may include eg:	()	()
	■ contracting and legal aspects		
	■ tendering		
	■ budgeting		
	■ financial planning & techniques		
	■ tax management		
	■ borrowing—interest rate management		
2.2	Keeping up to date with statutory requirements	()	()
2.3	Expenditure analysis, this may include eg:	()	()
	■ cost benefit analysis		
	■ risk analysis		
	■ financial performance targets		
2.4	Dealing with people in finance eg:	()	()
	■ with accountants, bankers, solicitors		

From the above list, which management skills are very important in your sector of the housing construction industry?

.....

.....

.....

3	Managing People	Currently Possess	Needed in future
3.1	Leadership: this may include eg: <ul style="list-style-type: none"> ■ setting goals ■ making an effective working environment ■ mentoring and counselling people ■ appraisals and coaching ■ motivation & staff development ■ delegating ■ liaising/consulting 	()	()
3.2	Human resource management: this includes eg: <ul style="list-style-type: none"> ■ engaging subcontractors ■ job planning ■ recruiting staff ■ induction and team development ■ training and development ■ managing and resolving conflict ■ understanding enterprise agreements 	()	()
3.3	Communication skills: this may include eg: <ul style="list-style-type: none"> ■ dealing with clients ■ dealing with staff ■ negotiation eg with ■ preparing reports ■ conducting meetings ■ participating in meetings ■ knowledge of communication systems ■ developing business image ■ developing customer service 	()	()

From the above list, which management skills are very important in your sector of the housing construction industry?

.....

.....

.....

		Currently Possess	Needed in future
4	Managing information		
4.1	Administrative management: this may include eg: <ul style="list-style-type: none"> ■ having an organised system of information including 'paperwork' ■ searching for information using technology ■ change management eg in legislation 	()	()
4.2	Marketing management: this may include eg: <ul style="list-style-type: none"> ■ establishing a display home ■ advertising (eg with the display village) brochures 	()	()
4.3	Occupational health and safety management eg: <ul style="list-style-type: none"> ■ explaining the OHS policy to staff ■ monitoring OHS practices on the job 	()	()
4.4	Dealing with people who manage information eg: <ul style="list-style-type: none"> ■ marketing and advertising people ■ others 	()	()
5	Other management skills?	()	()

Are there any other management skills important in your sector of the industry? Please list below.

.....

.....

.....

— Interview Participants

We extend our thanks to the following people who contributed generously with their time and experience to this project.

John Teir	Australian Housing & Land
Albert Little	CFMEU
Wally Trohear	CFMEU/BUD
Laurie Delvany	Complete Plumbing
Joel Rogers	Country Style Homes
Lawrie Dore	D J Builders
Mark Burnip	Director of Housing
Roy Allen	EBRA Constructions
Laurie Kruize	Housing Industry Association
Alan Stillwell	Housing Industry Association
Les Groves	Housing Industry Association
John Allen	John Allen Building Services PL
Alan Soutar	Long Homes
Les Mahony	Master Builders Association
Grant Mitchell	Mitchell Homes
Chris Ilias	Modem PL
Ray Fogolyan	NBCITC
David Gray	Park Avenue Master Builders
Peter Young	Peterbuilt Homes
Roger Pitt	Prominent Constructions
Lawrie Dore	Queensland Master Builders Association
Karl Walter	Walter Constructions PL

— Focus Group Participants

Focus groups were run in Adelaide, Brisbane, Melbourne, Newcastle, Perth and Sydney. The following people generously contributed their time and thoughts to this part of the project. We gratefully acknowledge their contribution.

Adelaide

Robert Papillion	Alpine Constructions PL
Tony Attard	Beechwood Homes
Ted Manka	Dept of Housing and Regional Development
John Carney	Heathfield Homes
Bob Day	Homestead Award Winning Homes
Neil Scarce	Ian Wood Homes PL
Ron Harding	R F Harding Homes PL
Leon Hill	Sarah Homes

Brisbane

Alex Becka	Alexander Homes
Adrian Van Lith	Coad Homes
Andrew Kennedy	Kennedy Constructions
Noel Milne	Masterton Homes
Peter Bell	Peter Bell Homes
Peter Young	Peterbuilt Homes
Peter Ostehage	Queensland Master Builders Association
Geoff Skehan	Geoff Skehan Constructions
Terry Betteridge	Terry Betteridge & Company

Melbourne

Gary Waite	Blue Chip Developments
Peter Lawler	Denmar Homes
Frank Donato	New Generation Homes
Stan Radisavljevic	Radisson Homes
John Scott	Sainsbury Homes
Alex Tomkin	Tomkin Homes

Newcastle

Paul Murdoch
Bruce Bosworth
David Stibbard
Phil Jones
Phil Bush
Paul Dearing
Maureen Dearing
Peter Petherbridge
Peter Sharman

Amcon Constructions PL
BW & JK Bosworth
David Stibbard Constructions PL
McDonald Jones Homes PL
P & D Building
Paul Dearing Enterprises
Paul Dearing Enterprises
PDA Custom Constructions PL
Peter Sharman Builder

Perth

Walter Nitzsche
Dennis Good
Katrina Williams
Gordon Morton
Michael Clarke
Ian Howell
Roy Hunter
Ian Holloway
Michael Breen
Ross Chamberlain
Lee Summers

Chadstone Enterprises
Dept of Housing and Regional Development
Dept of Housing and Regional Development
GM Extensions
Housing Industry Association
Howell & Pickering
Hunter & Perry
J-Corp
Michael Breen & Associates
Ross Chamberlain Homes
Summers & Boshart

Sydney

Ray Browne
Andrew Cavanagh
Margaret Crennan
Doug Coombes
Roy Allen
Graham Huxley
Jeff Cummings
Michael Caruana

Cape Cod Australia PL
Cathay Homes
Dept of Housing and Regional Development
Doug Coombes & Associates
EBRA Constructions PL
Huxley Homes
Pioneer Homes
Wincrest Homes

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Glossary

BSC	Building Services Corporation
CFME	Construction, Forestry, Mining & Energy Union
CIDA	Construction Industry Development Agency
DHARD	Department of Housing & Regional Development
HIA	Housing Industry Association
HITF	Housing Industry Training Foundation
MBA	Master Builders Association
NBCITC	National Building & Construction Industry Training Industry Council
NHS	National Housing Strategy
RCVET	Research Centre for Vocational Education and Training
UTS	University of Technology, Sydney

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