

## THE CONSTRUCTION INDUSTRY MANAGERS AND THE NEED FOR CHANGES IN THEIR COMMUNICATION

Dana Linkeschová<sup>1\*</sup>

<sup>1</sup> Faculty of Civil Engineering, Brno University of Technology, Veveří 331/95, Brno, 602 00, Czech Republic

### Abstract

Purposeful personnel management lies in finding a natural equilibrium between the economic and social ends of the organisation. Personnel management makes the difference between successful and unsuccessful construction companies. This article presents the research of 579 leaders of communication and public relations departments on how personal reputation of the company director is an important factor in the overall success of the company. The personal touch remains the basis for leadership and cooperation. Some of the results can help us better prepare the students in the context of the decline of managerial education in Europe – of course with the exception of Finland.

The optimal mastering of personnel is a pre-condition for each construction company that wishes to be long-term prosperous, competitive and respected player. Because the large multinational corporations operate globally, this requires higher qualification level from their bosses, including emotional and spiritual IQ. More and more often, the CEO becomes the “image” of the company.

### Key words

Systemic management; leadership; personal development; personnel management; civil engineering

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\*Corresponding author: Tel.: +420-541-148-647, Fax: +420-541-148-632  
E-mail address: linkeschova.d@fce.vutbr.cz

## 1 INTRODUCTION

Looking at the current situation, “the path of the construction industry is paved with problems ... The whole segment is troubled by the economic recessions, lack of both public and private contracts, tightened bank loan taps as well as the decrease of tax revenues of municipalities and regions.” [1] The questions of personnel management also seem to be more and more pressing. In his latest book *Personální management ve stavebnictví (Personnel Management in the Construction Industry)*, Filip Bušina[2] presents the current situation in the Czech construction companies in the following way: “Economisation, the effort to achieve purposeful and efficient management and operation of an organisation, including personnel management, is a systematic process that must be happening at all levels of management and operation of the organisation. Everyone must be purposefully and efficiently involved in the continuous streamlining and improving the quality of activities and products of an organisation with the aim of regularly achieving the expected results and satisfying various needs of stakeholders, especially customers, whose lasting loyalty decides about long-term prosperity and competitiveness of the organisation.”

Even in the construction industry, “you may have perfect systems, machines and buildings, but unless you have skilled and educated employees who like their job, you are not going to go far in business. Very often we do not even realise any more how employees influence, in both positive and negative ways, the relationships that the customers create to a specific company or product,” says Alena Kazdová, [2], the editor-in-chief of the *Moderní řízení (Modern Management)* magazine, in her April editorial.

## 2 “SYSTEMIC MANAGEMENT”

Jan Bílý[4] presents systemic management for the Czech Business Forum: an unusual concept of management from the area of personal development that shifts the generally perceived paradigms of communication and personnel management. He points out the wider context of managerial work that has so far been rather neglected.

### 2.1 IQ and Management

The most commonly used measure of intelligence is the intelligence quotient or IQ. It was tested as early as 1905 by the French psychologists Alfred Binet and Theodor Simon [5]. As the “measure” of human intelligence, IQ is viewed as the ability of linear and analytical intelligence that we need to solve more or less complicated tasks on the binary (i.e. the contrast of “true” – “false”) logical level.

For this reason, a manager with an above-average IQ was seen as the most able leader already at the beginning of the 20th century. This is because the paradigm of company management was perceived as some sort of computer programming, where the management constructed the optimal solution using a number of changeable factors (such as material, personnel or other production costs, market research, marketing, to name but a few). Such programming of the company operation was understood as a purely intellectual matter. At the same time, this meant that any non-quantifiable and non-exact parts of the human psyche, such as emotions, intuition, affections, feelings of solidarity etc., were not included in management.

### 2.2 EQ – Emotional Intelligence

In the early 1990s, it was beginning to be clear that the “cold” intellect was not going to be enough to achieve optimal results of management of large companies. Those companies where employees shared not only the rational interests of work and profit, but also emotional

qualities such as friendships, pastimes, visions, common creation or takeover of corporate culture, were significantly more successful on the market than the others. The US psychologist Daniel Goleman [6] used the expression “emotional intelligence” or EQ in his bestseller to describe the communication and relationship skills of highly successful managers and leaders. It turned out that only one quarter of the successful careers and achievements of these individuals was based on their IQ; the remaining three quarters of success were based on their EQ – emotional intelligence.

Goleman divides these EQ abilities into four groups, in the order in which they appear during the development of emotional intelligence:

- a) The first group primarily features self-awareness. It includes the ability to feel oneself, to perceive one's own emotions and express them, the ability to step back from the identification with these feelings and the ability to recognise one's own emotional needs, motivations for actions and goals. Emotional abilities in the first group concern primarily the individual as such – it is called the “me” level and it is the pre-condition for the development of subsequent abilities.
- b) The ability of empathy – to empathise with other people – is conditioned by how much we have learned to feel our own emotions. If I am unable to recognise my own emotions, I will not succeed in “understanding” the emotions of others. It is also necessary to be able to react appropriately to the feelings of the others and to accept their different opinions. These are abilities related to “us” – that is, the relationships between myself and the people around me.
- c) The third group includes the control over our own feelings (which, however, does not mean suppressing them!) – abilities related to the management of one's own emotional “me” and to the possibility of consciously changing these feelings. This is the so-called “me-management”. It also includes the ability to take the initiative and resolve unpleasant situations by expressing my problem (e.g. with my superior) in an adequate way.
- d) This leads us to social competence, that is, active management of conflict situations and help for the whole team (“me and the others”) when resolving conflicts and problems. The abilities included in this group result in successful “us-management”. In this way, I create (e.g. as a manager) stable and satisfying relationships in the workplace and I am able to successfully lead my co-workers.

EQ is not a newly developed ability for the *homo sapiens* species. From the developmental point of view, this type of intelligence is significantly older than the rational thinking and IQ. Actually, all higher animals have it. One must realise that emotional reactions are approx. two times quicker than “intellectual” reactions.

Our emotions influence most of our “rational” decisions to a much higher degree than we realise. It is not possible to exclude our emotions from our decision-making. The concept of emotional intelligence concentrates on conscious and controlled inclusion of these feelings in our communication system. It concerns facial expressions, body posture and gestures, the unity of our feelings with what we say etc.

To sum it up, emotional intelligence is all that helps us create not only rationally *functioning* environment, but primarily an environment in which we (and others) *feel* good. As opposed to IQ, emotional intelligence may be learned! Personal development and self-awareness grows with age and contributes to the development of EQ and thus our “success” in the society.

### 2.3 SQ – Spiritual Intelligence

People leadership is related to one more type of intelligence, which is probably found exclusively in humans. It is the prerequisite for a “happy and meaningful” life. SQ was described by the quantum physicist Danah Zohar [7] in 2001 in her book entitled *Spiritual Intelligence*. It only starts developing with the development of our personality and it begins where material and rational-scientific understanding of reality cease to be enough as a meaning of our existence.

Spiritual intelligence is certainly not identical with religion. It is the ability to see and form one's life in the context of larger units. It means to find (or at least try to find) fulfilment and meaning in harmony with things bigger than oneself rather than in individual benefit.

Another definition talks about a feeling of deep happiness that we can experience when we step back from our ego and everyday problems.

The ability to step back and look at the larger context of our existence is a key step for the development of SQ. Unfortunately, the vast majority of people only gain such insights in moments of deep crisis, uncertainty or existential threat. Deep experience of integrity and connection with the universe often arises from doubt about learned or gained certainties. Our culture usually does not process similar spiritual experience and they are not taught by schools.

The basic precondition for the development of SQ that a real leader cannot do without is the ability to ask “why”? The abilities of spiritual intelligence come in many forms:

- a) The basic one is self-awareness, i.e. questions such as “who am I, where do I come from, where am I heading”; the realisation of one's existence is a precondition for the ability to step back from it.
- b) The vision and awareness of “global values”, which in today's world means “standing with one's feet on the ground” while having one's “head up in the clouds”.
- c) The holistic approach represents our ability to see connections between individual parts of a whole and to observe how everything is connected to and influences everything else. When we are aware of this, we usually stop judging things and people as “absolutely good” or “absolutely bad”.
- d) The ability to acknowledge and see that our mistakes, errors, tragedies, pain, endings etc. can help us just as success and expansion. For managers, it is also the ability to communicate and show things to others.
- e) The awareness of and respect for individualities and differences. The fact that we “are not the same as the other people” is a part of our inner beauty and individuality and not something that must be hidden. My “black spots” and deficiencies form a part of this uniqueness and an integral part of myself.
- f) The ability to ask “why”? In quantum physics, a question (or observation) is the “beginning of reality” (i.e. it results in wave function collapse). In our lives (both personal and work-related), the question “why?” (related to leadership) is also often more important than “how?” (related to management).
- g) The courage to go beyond the boundaries of the known world and create new worlds, new structures and ideas. The courage to choose paths that are not (yet) recognised and to allow this to one's co-workers, thus creating a space for creativity and innovation.
- h) The ability to change and adjust one's idea of reality to what one finds on this path. This includes not clinging to established and “learned” processes and pieces of knowledge. In the words of S. R. Covey [8] “An employee informs his boss about

something that the company is doing that he finds to be 'stupid'. A typical officer hears 'complaint', while a synergistically thinking boss hears 'idea'."

- i) Accepting approach and spontaneity of action, thought and communication. Being spontaneous does not mean "doing stupid things". It means stepping back from the controlling and managing centre (reason) and allowing the stream flowing from our hearts and from the connection with something bigger than us to do what we feel is right, even if we do not know where it leads us to.

## **2.4 Leadership and Spirituality**

By Jan Bily[4], many "forms" of SQ may be found in the biographies of not only the important spiritual leaders, but also the visionaries from top management. Here, SQ meets what has been lately called leadership.

However, if a company only nurtures leaders at the top of the management, it faces a risk of dependence. Such leadership is mistakenly viewed as one-directional: "I am the leader of all the others!" However, the power arising from leadership is only a means to an end, not the end itself. Even if such a leader was a true prototype of a wise and charismatic ruler and led others to the visions and ideas of his company, he would still be blind to an immensely important aspect of leadership and SQ: *to the ability "to be lead"*.

Let us be aware that from the point of view of SQ, the ability of the manager to perceive himself as an active part of the whole and to serve this whole and his mission is very important. An inspirational reading in this way is *Employees First, Customers Second: Turning Conventional Management Upside Down*, a bestseller by NAYAR, Vineet [9]. Service to other people and to things greater than us is a true indicator of our work and personal success.

## **3 RESEARCH FINDINGS**

### **3.1 Methodology**

Under the leadership of the head of an international research team, professor Ansgar Zerfass from the Leipzig University, 579 leaders of communication and public relations departments took part in a research among the European leaders of company communication entitled the European Chief Communication Officers Survey (ECCOS) [10].

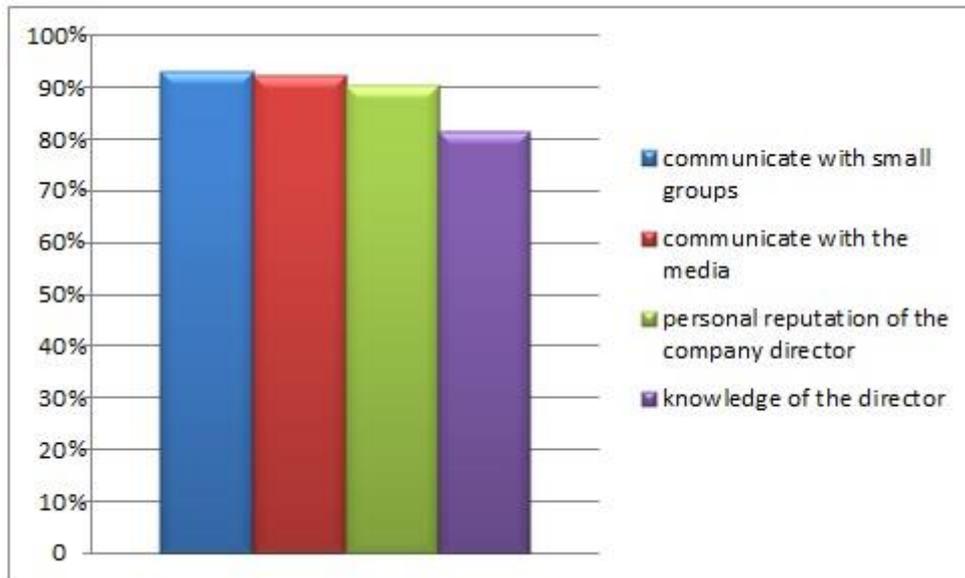
### **3.2 Research Results**

Nine of ten of these European experts on company communication claimed that: "The era of out-of-touch, basically invisible managers of big companies is gone. The success and reputation of a company are closely related to the ability of its boss to communicate with the media and other important groups. And the 'brand' of the CEO often plays a role of a substitute brand of the whole organisation." [10].

Professor Ansgar Zerfass expressed it in this way: "A CEO can uplift the company brand or destroy it. The times when the bosses just had to pull the strings and stay invisible behind the scenes are gone. Wrong career moves and public failure may have a negative impact on the brand – and this infection spreads quickly." [10].

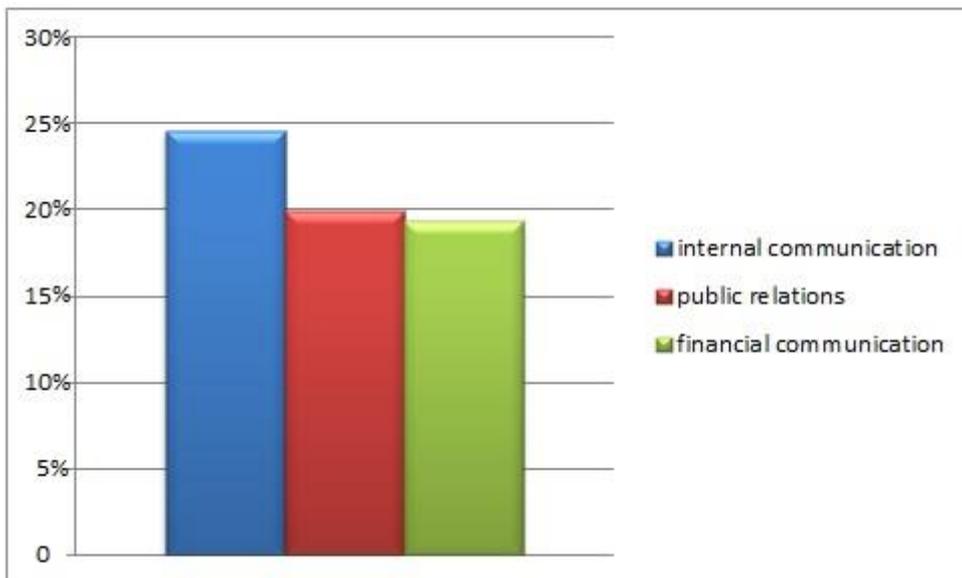
According to the above mentioned research, 93.1% of the respondents agreed that the communication skills of their CEO in the context of a small group were an important factor for the success of the organisation. 92.1% had a similar opinion on the importance of the communication skills of their CEO in relation to media and the general public. 90.5% of the

company communication leaders agreed that the personal reputation of their CEO is an important factor for the success of the organisation and 81.7% of the respondents answered that the CEO's level of knowledge in the area of strategic communication is just as important. See Fig. 1).



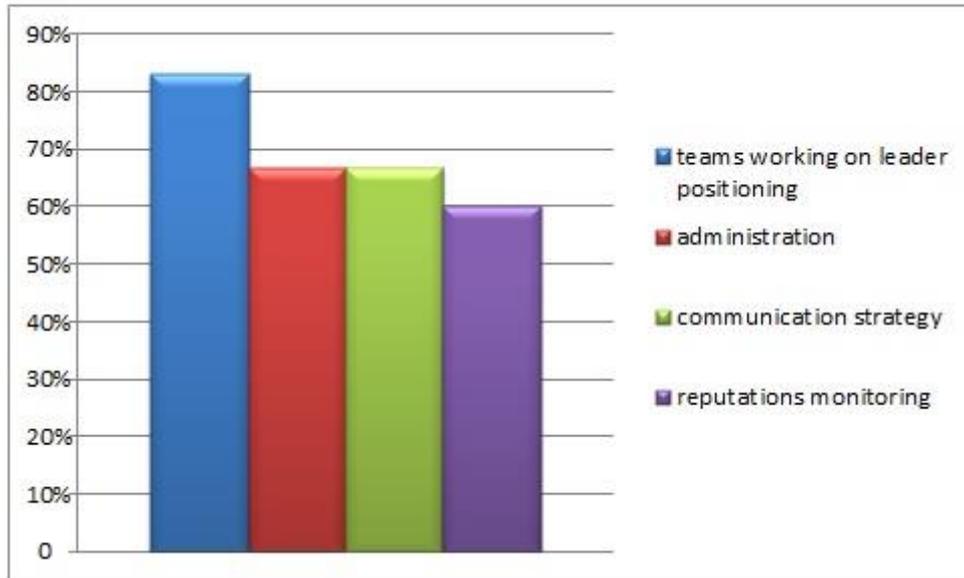
*Fig. 1: CEO Communication Skills [10]*

As far the CEO's reputation is concerned, the most important areas were internal communication (24.6%), public relations (19.9%) and financial communication (19.3%). In case of joint-stock companies, financial communication and internal communication were assessed as the most important ones, while for private companies the most important ones were internal communication, public relations and political communication. See Fig. 2).



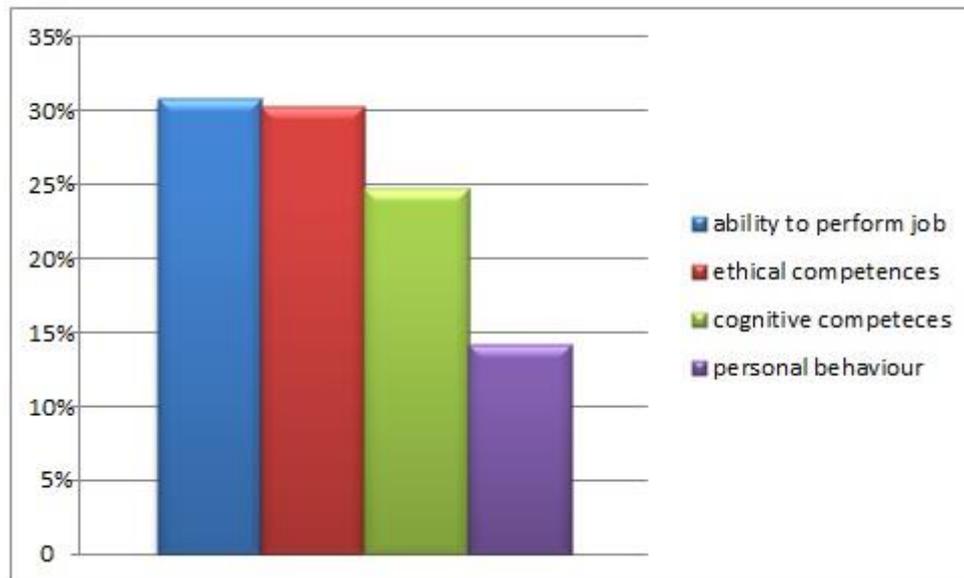
*Fig. 2: CEO Reputation [10]*

As regards the teams responsible for company communication, 83.2% of them actively worked on the “reputation” of their CEO in various areas; 60.3% of these teams at least monitored the reputation of their CEOs. See Fig. 3).



*Fig. 3: PR Teams Work [10]*

Concerning the content of communication, 30.8% of the news related to the CEO aimed to stress his or her functional abilities (i.e. that the CEO was qualified for what he or she does); 30.3% of the news concerned ethical competencies (the CEO's values); 24.7% concerned cognitive competencies (i.e. that the CEO had the necessary knowledge and was able to work with it); and 14.2% described the CEO's behaviour. See Fig. 4).



*Fig. 4: PR of Functional Skills of Top Managers [10]*

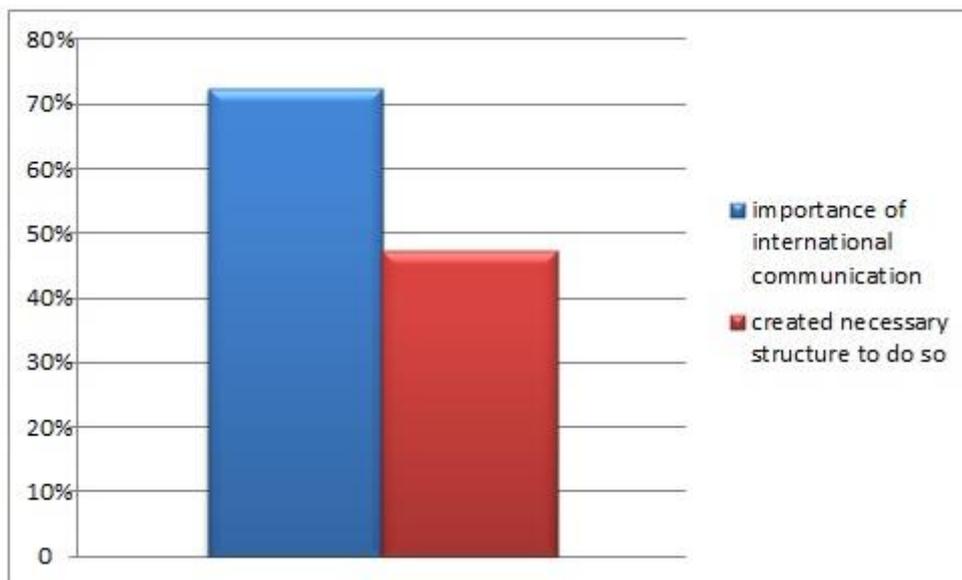
According to the research, it may be concluded that for the public as well as for the stakeholders, the top managers of a company embody what their companies stand for. They become the living embodiments of the brand they represent. "We live in the era of responsibility, when the public expects to be able to identify with real people. The people in the business sector, who may easily be categorised as the heroes or the villains, are at the forefront of this change," said a co-worker of the research, professor Dejan Verčič from the Ljubljana University.

As the public is nowadays more interested in the personalities of the companies' bosses, their personal example is more important for them than any other indicators. According to David Gallagher, European CEO of the Ketchum agency, it is therefore very important that the CEO is someone who is easily remembered and inspires confidence. The companies that ignore this aspect and leave it to change take a very significant risk.

### 3.3 Necessity of Multicultural Qualification

The fact that all the large international corporations nowadays operate on a global scale naturally requires another level of qualification from their bosses: multiculturalism. That is why international mobility at the universities is absolutely indispensable these days. The recent survey of the [12] European Chief Communication Officers Survey (ECCOS), European Communication Monitor, showed that the importance of international communication is going to grow in the coming years.

72.5% of the respondents agreed with the statement that the importance of international communication was going to grow. However, only a small number of companies in Europe (47.3%) already created the necessary structure and had a strategy for international communication. According to the above mentioned David Gallagher, the most serious obstacle to creating strategy for international communication consists in different ways of leadership. See Fig. 5).



*Fig. 5: Importance of International Communication [10]*

The above mentioned surveys as well as other indicators show that it is absolutely necessary to give sufficient attention to the area of communication, especially international communication, not only in the construction companies, but also at the construction faculties in the education of future managers. In connection with both EQ and SQ, they need to be led to open-mindedness, politeness, diligence and cooperation, especially on the international level. Generosity and confidence, which are necessary attributes of a real leader, will come as they gain experience. As KZPS president Jan Wiesner [13] said: "A manager does not only motivate his subordinates to resolve current tasks, but also to consider the future of one's own work and that of the company as a whole."

### 3.4 Paradigmas changing

Filip Bušina[2], who was mentioned at the beginning, wrote: “Any efforts to change the management and operations of a company in a purposeful manner must be based on an effort to implement efficient change in the management and operations of personnel management or the philosophy, strategy and system of the management of employees, as it is employees whose approach both individually and collectively decides about the way the required activities are implemented, the expected goals of the organisation reached and the needs of the stakeholders satisfied.”

As I have been a university teacher for a number of years, I like the motto of S. R. Covey [14]: “To lead is to express the value and potential of others in a sufficiently clear and comprehensible manner, so that they begin to be aware of them themselves.”

It is actually one of the attributes of leadership to ask the purpose of an action: “Why?” and “where?”, “where is the destination of our journey and what are the consequences of our decisions”? On the contrary, management is about decision-making: “How”? “What is the best, quickest, cheapest or optimally balanced way to get there?” That is to say, leadership is the ability to lead the company beyond the current boundary of its economic horizons, give the company and especially the employees a vision for the future and react to the changes in global market demands or even create them. This way of leadership is often linked to magic terms and personal attributes, such as: “leader”, “charisma”, “mission” and “radiate”.

It seems that in the current era of – sometimes almost hysterical – races for short-term success and immediately quantifiable results it is usually the most predatory, the cheapest or the “most-IQ-intelligent” individuals or companies who win. However, if we are interested in the international companies that are really successful in the long term, the so-called “global players” such as Microsoft, Coca-Cola, McDonalds, Nike and similar companies, we find one indisputable fact: most of them not only have a “company culture” (which usually respects EQ), but also fulfil a certain vision of “global responsibility”, which is a sign of a developed SQ.

According to [4] an unpublished study by the Daimler-Chrysler company on managers who brought the most progress to the company in the last fifty years, they were mostly managers who already achieved everything in the material area and on their career ladder and were thus able to turn their attention to bigger things than just personal success. “It is purposeful to relate management of an organization as a system with management of inside environment’s elements (social structure, technology, strategy and human resources) of organization, joining these elements into solid environment” [4].

It is good to realise that if we are to achieve success in the leadership of construction companies, the current paradigms regarding their top management must be changed: We need to learn to pay much more attention to people (not only customers, but also employees) and see individual decisions in their wider context. “Systemic management meets the established criteria (unless, of course, one of the requirements had been that it be simple, easy to do, and without significant short-term costs in compensating for errors of the past)...Baseline or normative information from existing systems is a concern that must be treated carefully“ [4]. From the point of view of leading and managing personnel „there is no significant difference between Human Resources Management and Personnel Management“ [2].

## 4 CONCLUSION

The preparation for the profession of construction manager must dedicate enough time not only for technical and economical knowledge but also for soft skills leading to the development of communication, including international communication, and also to more independence, responsibility and team cooperation. The quality of leadership does not lie in some supernatural power of the leader. As follows from the findings of SQ, it is much more grounded in his or her involvement in the larger whole. In other words: Each of us can and should be a leader of something within our own responsibility to make our world the better place for living.

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