

Policy Direction and Resource Management Efficiency in the Construction Industry in Nigeria

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ABSTRACT

The construction industry is noted for its activities in project executions. Therefore, mobilization of people, equipment, machineries and other resources in execution of its projects as well as misappropriation of the resources in the industry is inevitable. The study is aimed at investigating how policy direction can better represent the management of resources to ensure efficiency. To accomplish the purpose of the study, a cross-sectional study was adopted. An accessible population of 252 was drawn from the managerial and supervisory unit of the administrative and logistics department of Seven (7) major selected construction industries operating in Nigeria. Using a convenient sampling technique, a sample size of 150 was obtained with the aid of Krejcie and Morgan sample size determination table. The data for the study was acquired through the administration of questionnaires validated experts in the field of management to ensure face and content validity of the instrument. Inferential and descriptive statistics was used to analyze the data and results presented using tables, percentage, mean and standard deviation. The hypotheses were tested using the spearman rank order correlation. The empirical findings of the study show that there is a strong significant positive relationship between policy direction and resource management efficiency in the construction industry in Nigeria. The study recommends that management should adhere to the dimensions revolving the creeds of policy direction to achieve efficiency in resource management in the construction industry in Nigeria.

KEYWORDS: *Police Direction, Accountability, Cost Reduction, resource management efficiency*

1. Introduction

Every business has a way in which it operates and does things. Businesses without clear policies often have subordinates making decisions that do not network with what the organization wants to see. Clear, concise and written policy plans help any business maintain consistency in operations and relieve management from the need to micromanage. Policies can be guidelines, rules, regulations, laws, principles, or directions developed by the organization to govern its actions. They say what is to be done and what to do. They define the limits within which decisions must be made; thus specify strategies to guide decision-making. Policies also deal with the acquisition of resource with which organizational goals can be achieved. As noted by Leonard (2018)

some policies are defined by regulations, such as federal privacy laws, while others are designed by corporate leadership to make sure those things are done by certain standards.

In the operation of firms, businesses, enterprises and companies whether profit or non-profit oriented, the quest to utilize available but limited resources efficiently to achieve the organizational goals and objectives is paramount. However, the constraints in harmonizing these resources i.e., human, finance, information and physical resources in the most economical way has been a challenge due to the important role each one plays in the success of the industry. More so, as management process involves getting things done through people; individuals, who

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while they are ostensibly in the organization to achieve a common purpose, are at the same time driven by their own needs to achieve their own goals. They advance their own reputation and career at the expense of the industry they belong. To this end, the resources stand the risk of exploitation, abuse, waste and mismanagement by the same individuals designated as custodians of the resources, but who divert the resources at their disposal for their caprice and selfish interest, instead of overseeing its effective productiveness.

Given that the acquisition and utilization of resources are most important in the construction industry, challenges due to diversity, complexity and the fragmented nature of the organization arise in delivering projects with thin profit margins on time and within a budget. This been the case, it is the responsibility of management of the construction companies to strategize a specific means to regulate its affairs within its operating environment as well as integrate diverse activities, which function requires conformance to organizational requirements and achievement of the ultimate goals and control by the organization. Macdonald (2019) the presence of a definite set or specific control in an organization with a purpose seems appealing. First for the organization, it allows for the prediction of the behavior of the controlled subjects and, second for controlled subjects, it makes the organization predictable. In this regard, challenges or inefficiency hindering the organization can be rectified. Control types however, are characterized usually by mixtures ranging from personal control to group control, from organizational control to societal control, from management control to policy direction. The various types of control functions vary from organizations and their objectives.

1.1. Conceptual Framework

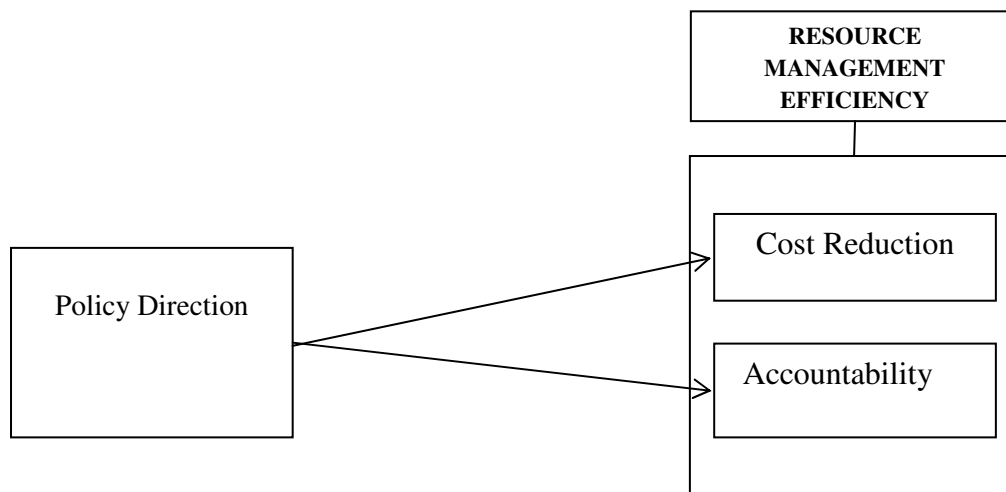


Fig. 1:1 Policy Direction and Resource Management Efficiency in the Construction Industry in Rivers State, Nigeria

In the light of the above, policy direction, been an integral part of internal management is adopted for its systematic efforts and activities carried out to obtain accurate and precise information on the progress of work and implementation in the various areas of activities. Its root stems from control with significance as the cornerstone of modern scientific management as well as the main pillars of advanced management in assisting organizations towards attaining development and modernization, as well as achieving high level of efficiency and effectiveness. The function of policy direction involves planning, organizing, directing, control and is mostly practiced at any level of management in both private and government sectors. It facilitates the organization towards achieving its objectives, ensures attaining effectiveness and adoption of an organization competent to face competition. More so, policy direction is adopted because of its fundamental roles in the organization, aimed at checking on the optional and proper utilization of resource towards achieving the mission of the organization. The concept of policy direction, due to its application in other fields of study connotes diverse interpretations. The purpose of this study is to determine how policy direction impact resource management efficiency in the construction industry in Nigeria. The objectives specifically evaluate the role of policy direction on cost reduction and accountability.

H₀₁: There is no significant relationship between policy direction and cost reduction in the construction industry in Nigeria.

H₀₂: There is no significant relationship between Policy Direction and Accountability in the construction industry in Nigeria.

2. Theoretical Foundation

The use of theories in organizational analysis seems indispensable. Therefore, formal theories are developed more diligently and reflect a variety of topics providing a reference benchmark that enables the measurement of our own approaches. Although there are different theories of Administrative control, the study will be underpinned on Weber's bureaucratic theory and Resource Allocation theory. The bureaucratic management theory lays his thinking in the concept of bureaucracy as an ideal, intentionally, rational and very efficient form of organization, founded on the principles of logic, order and legitimate authority. The theory stress bureaucracy as the best way for large organizations to maintain order and maximize efficiency. The resource allocation theory is a framework for assigning and managing assets in a manner that supports an organization's strategic goals. It involves balancing competing needs, priorities and determining the most effective course of action in order to maximize the effective use of limited resources to gain the best return on investment (Margaret, 2014). Efficient resources management is an essential task that ensures the optimal use of allocated resources for resource utilization, waste reduction and higher factor productivity (Jhingan, 2016).

2.1. Policy Direction

Every business has a way in which it operates and does things. Businesses without clear policies often have subordinates making decisions that do not mesh with what the organization wants to see. Clear, concise and written policy plans help any business maintain consistency in operations and relieve management from the need to micromanage. Policies can be guidelines, rules, regulations, laws, principles, or directions developed by the organization to govern its actions. They say what is to be done and what to do. They define the limits within which decisions must be made; thus specify strategies to guide decision-making. Policies also deal with the acquisition of resource with which organizational goals can be achieved. As noted by Leonard (2018), some policies are defined by regulations, while others are designed by corporate leadership to make sure that things are done by certain standards.

According to Schermerhorn (2010) policies should focus attention on matters of special organizational importance and guide people on how they are expected to behave in respect to them. Take the issue of equipment in mobilization for a project or task. The response is communicated in the policy thus:

"The release of any equipment in execution of a task without record is a violation of the company's policy....underutilization of material resource will not be tolerated in any form, whether committed by supervisors, personnel, sub-contractors etc. Any individual found violating this policy can be subject to disciplinary action up to and including termination, and possibly prosecution by the victim".

Policies such as this are essential to organizations as it identifies policies along with the other framework. Policy directions therefore provide the overall framework in which personnel carry out the mission of the organization. Notably, information and communication component covers understanding of policies and procedures, validation of information and evaluation of employee performance.

2.2. RESOURCE MANAGEMENT EFFICIENCY

Resource management is the process of pre-planning, scheduling, and allocating your resources to maximize efficiency (Adeleke, 2014). A resource is anything that is needed to execute a task or project — this can be the skill sets of employees or the adoption of software. For example, if you're planning an event, a few resources include scheduling out staff for the event, planning what vendors to use for promotional materials, investing software that allows attendees to register, and budgeting for everything from giveaways to catering.

Cost Reduction

The general principle of operating a business is to make a profit and the best way to make that happen is cost reduction. In today's competitive world, businesses like the construction industry are struggling to maintain profits and healthy bottom lines. For such industry to be profitable, a clear and thorough understanding of all factors that drive profit, as well as cost is very important (Adeleke, 2014). The growth of an organization depends not only on how much it generates with its services, but also how much it spends. So reducing costs seems to be one of the main considerations of any business. Cost reduction is a continuous process of critically examining various elements of costs and each aspect of a business (i.e. procedures, methods, products, management) in view to improving the efficiency. Cost reduction is a planned positive approach to reduce expenditure without affecting the quality of product or service as well as activities.

Accountability

Accountability is the liability that one assumes for ensuring that an obligation to perform a responsibility is fulfilled (Frost, 2000). It means to provide an explanation or justification and accept responsibility for events or

transactions and one's own actions in relation to the event or transactions (Klkonyogo, 1999). In order to achieve the goals of the company, long and short term, it is important that all persons within the company work together and share accountability collectively to consequently promote the timely accomplishment of the organization's mission. Sizani (2018) accountability refers to the obligation of employees or institution to account for their activities, provide information about decisions and actions, explain and justify decisions, accept responsibility for them, and to disclose the result in a transparent manner.

As an elusive concept of management, the essence of accountability is answerability, having the obligation to answer questions regarding decisions and or actions (Schedler, 1999). The other defining element of accountability is the availability and application of sanctions on appropriate actions and behavior uncovered through answerability. Answerability without sanctions is generally considered to be weak accountability and, sanctions without enforcement significantly diminish accountability (Blinkerhoff, 2003). Holding people accountable after casually tossing a goal or task to them, without setting the context, securing the necessary resource, and providing the proper structure is destructive. It generates negative emotions and behaviours and a widespread negative response to the proper and requisite notion of accountability (Kraines, 2020).

Mark (2010) distinguishes between two concepts of accountability; accountability as a virtue and accountability as a mechanism. Accountability as a virtue refers to a set of standards for the evaluation of the behavior of public actors. As a mechanism, it refers to an institutional relation in which an actor can be held to account by a forum. Fostering a culture of accountability increases efficiency, the reason, according to Forbes, is because without accountability execution suffers. It is also important since it results in a highly efficient and productive team. The key point is having each member take full responsibility on a given task or goal, which eliminates confusion and saves a lot of time and resource. Bendix (2010) and Squires *et al.*, (2007) avers that every company should formulate policies reflecting its objectives and prepare proposals taking into account relations with employee.

3. Methods

The study is a correlational study and it adopts the cross-sectional survey design in the investigation of the relationship between policy direction and resource management efficiency. The respondents and population for the study comprises of all the managerial and supervisory staff in the administrative and logistics department of the seven (7) major selected construction companies operating in Nigeria which total is 252. The research questionnaires items were analyzed using mean and standard deviation. The hypotheses were tested using Spearman rank order correlation with the aid of Statistical Package for Social Sciences (SPSS) version 21 at 0.05 level of significance.

3.1. Findings

Result and Frequency Analysis

In this section, the output of the primary and secondary data is presented. Analysis was carried out on individual variables and measures. Mean scores and standard deviations are also illustrated. For the purposes of this study, we adopted four point Likert Scale in our questionnaire, having response categories in the order of Very High Extent (VHE), High Extent (HE), Low Extent (LE), Very Low Extent (VLE). The secondary data analysis was carried out using the Spearman rank order correlation tool at a 95% confidence interval. Specifically, the tests cover hypotheses HO_1 to HO_2 which were bivariate and all stated in the null for. We have relied on the Spearman Rank (ρ) statistic to undertake the analysis. The 0.05 significance level is adopted as criterion for the probability of either accepting the null hypotheses at ($p > 0.05$) or rejecting the null hypotheses at ($p < 0.05$).

Table 1 showing descriptive statistics for Policy Direction

Statistic	N	Minimum	Maximum	Mean	Std. Deviation
Policy direction	130	1.00	4.00	3.388	.29391

SPSS output version 21.0

Source: Research Data 2021

Table 1 is the illustration of the descriptive statistics for the dimensions of the independent variable Policy Direction ($x > 2.0$) based on the 4-point Likert scaling adopted.

Table 2 Showing Descriptive Statistics for Measures of Resource Management Efficiency

	N	Minimum	Maximum	Mean	Std. Deviation
Cost Reduction	130	1.00	4.00	3.593	.62768
Accountability	130	1.00	4.00	3.459	.38468
ValidN (listwise)	130				

SPSS output version 21.0.

Source: Research Data 2021

Table 2: Illustrating the descriptive statistics for the measures of the dependent variable; resource management efficiency where cost reduction and accountability are the measures. All two measures carry high mean scores ($x > 2.5$) based on the 4-point Likert scaling adopted.

Table 3 showing descriptive statistics for Policy Direction and Resource Management Efficiency

	N	Minimum	Maximum	Mean	Std. Deviation
Policy Direction	130	1.00	4.00	3.486	.29795
Resource Management Efficiency	130	1.00	4.00	3.457	.5834
Valid N (list wise)	130				

SPSS output version 21.0

Source: Research Data 2021

The data in table 3 illustrates the descriptive statistics summary for the study variables which are policy direction (independent variable), resource management efficiency (dependent variable).

H₀₁: There is no significant relationship between policy direction and cost reduction in the construction industry in Rivers State, Nigeria.

H₀₂: There is no significant relationship between policy direction and accountability in the construction industry in Rivers State, Nigeria.

Table 4: Correlation Matrix for Policy Direction and Resource management control

		Policy Direction	Cost Reduction	Accountability
Policy Direction	Pearson Correlation	1	.964**	.945**
	Sig. (2-tailed)		.000	.000
	N	130	130	130
Cost Reduction	Pearson Correlation	.964**	1	.965**
	Sig. (2-tailed)	.000		.000
	N	130	130	130
Accountability	Pearson Correlation	.945**	.965**	1
	Sig. (2-tailed)	.000	.000	
	N	130	130	130

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data Result, 2021

The table 4 is the correlation of hypotheses one and two; the hypothesis one shows a significant correlation at $r = .964^{**}$ where P-value = .000 ($P < 0.001$). This implies a strong and significant relationship between both variables at 95% level of confidence. We therefore reject the null hypothesis ($H_{0:1}$), and restated, thus, there is a significance relationship between policy direction and cost reduction in the construction sector in Rivers State, Nigeria. The hypothesis two, shows a significant correlation at $r = .945^{**}$ where P-value = .000 ($P < 0.001$). This implies a strong and significant relationship between both variables at 95% level of confidence. We therefore reject the null hypothesis ($H_{0:2}$), and restated, thus, there is a significance relationship between policy direction and accountability in the construction sector in Rivers State, Nigeria.

Discussion of Findings

The first and second hypotheses shows that there is a strong positive relationship between policy direction and the measures of resource management efficiency of cost reduction and accountability in the sample of

selected construction companies of which the significant is based $r=0.964$; $p= 0.000 < 0.05.$, and $r=0.945$; $p= 0.000 < 0.05.$, both at 95% confidence interval leading to the rejection of the null hypothesis ($H_{0:1}$) and ($H_{0:2}$), stated in chapter one, and upheld by the alternate which restates thus; there is a significant relationship between policy direction; cost reduction and accountability in construction industry in Rivers State, Nigeria. The finding supports the studies of Bendix (2010) and Squires *et al.*, (2007) which avers that every company should formulate policies reflecting its objectives and prepare proposals taking into account relations with employee.

The policy must define the limits within which organizations take decisions regarding the tasks that must be performed repeatedly. In this view, whether at the organizational or individual level, people make the decisions and the policy direction influences the decisions that are made; when an individual joins an organization, he is expected to accept the norms and policies and is committed to its implementation. In like manner, Macdonald (2019) affirms that employees naturally behave differently at work than

they do in social settings, largely due to the structured organizational environment. In other words, policy direction should provide the framework and structure for operations of the organizational activities.

4. Conclusion

The study examining the relationship between policy direction and resource management efficiency in the construction industry in Nigeria. Cost reduction and accountability were recognized as measures for resource management efficiency. The findings from data analysis anchored on related literature and results from field research reveal that policy direction as a criterion with resource management efficiency. Therefore, the study concluded that policy direction has significant and positive relationship with resource management efficiency in the construction companies in Nigeria.

5. Recommendation

Based on the findings and conclusions, the following recommendations are hereby made:

1. Policy direction should influence the operation or activities of the organization by allowing an appropriate medium of communication where every member is acquainted with their expectations and focused on achieving the organization's objectives, reaching its goal and expanding to face competition with other competitors through standard practice.
2. More so, in regulating cost reduction and accountability which leads to a successful resource management in the organization, policy direction should not be neglected but presented in all occasion of the organization's transactions.
3. Since the goal directions of an organization represents not only the endpoint of planning but also the end toward which all other managerial functions are aimed, it could serve as a sound rationale for allocating resources. Thus, it is expected of management to communicate extensively the set objectives that guide the effort of the employees as to enable everyone within the system work towards attainment of the mission and objectives of the organization which is critical to the effectiveness of the organization.

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