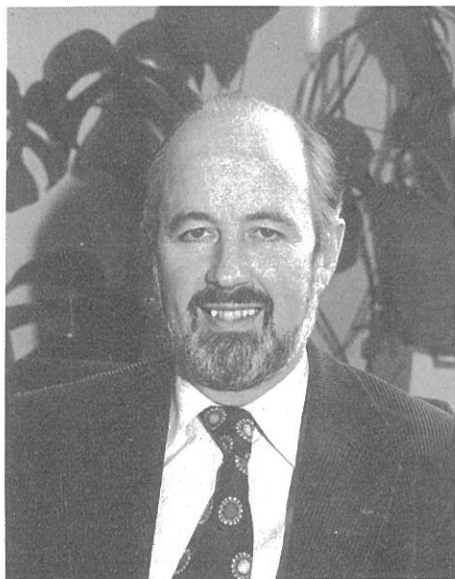


Redundancy in the Construction Professions

by Frederick C. Garrison, MEd, FRICS, MCIOB

Mr Garrison is Dean of the School of Environment, The Polytechnic of Central London



F. C. Garrison

As economic constraints bite deeper and the order book for most sectors of the Construction Industry reflects the diminishing demand, many professional consulting firms and commercial organisations serving the construction field are finding it necessary to streamline their staffing to bring it into line with a reduced workload. Central and Local Government, too, are trimming their staff as financial cuts come into effect. Thus many Architects, Civil Engineers, Builders, Planners and Surveyors are being faced with the possibility of redundancy and/or job change.

Dependent upon his age, position, family responsibilities and personality the immediate reactions to an impending loss of job varies considerably from person to person. The first feeling of disbelief, that there must be some mistake, is swiftly replaced by the inevitable "Why me? I'm being unjustly treated" syndrome and a need to blame others for the axe which has fallen. The onset of panic symptoms such as nausea and stomach disorders is common at this stage as the full impact of the news sinks in. "What will the family say?", "How will we manage financially?", "Who will pay the mortgage?", "I'll lose the company car", are typical thoughts as the reality of redundancy strikes home. The ego-blow is considerable and can involve strong feelings of shame and inadequacy in relation to personal status and the financial support of the family. This can mean so much to some individuals that they are unwilling to divulge their loss of job to the family and delay telling them. In extreme cases, this has gone to the lengths that they continue their commuting to and from work long after employment has ceased.

Faced with redundancy, a first move is to try and change the situation by rallying friends and colleagues to your support. In a staff trimming

scenario colleagues realise that if you do not go, one of them will be "surplus to requirements", so they are hardly likely to be supportive and will be intent on protecting their own positions. In most situations staff associations and trades unions are sympathetic and helpful, very willing to take up any case in which an employee appears to have been treated unfairly; however employers are usually sufficiently enlightened to have discussed and agreed the general strategy of staff reduction with the union/association concerned, prior to declaring redundancies, so that individual cases have little redress. Perhaps the main role of the staff association/union should be to disseminate information and to outline the obvious procedures to follow at this critical juncture.

Apart from personal feelings, the two main considerations are money and time. When do I get paid up to? How much is redundancy pay? What is my pension position? When can I claim unemployment benefit? How much is it? What is family income supplement? Can I pay the interest only on my mortgage? How much income tax rebate will I get? Will the bank foreclose on my overdraft? Overriding all these questions is the thought — how and when will I get another job?

The search for another job needs to be a well thought out and organised campaign. Properly constructed and carried out it is a full-time occupation needing a great deal of research and attention to detail. Any qualified professional has a background of knowledge and experience which would equip him for a range of jobs. Possibly he has acquired social or practical skills and experience in voluntary activities and/or hobbies in years of leisure time. The first step is to carefully list these possible assets — don't leave any out, however mundane! Even the ability to drive a vehicle gives entry into a wide range of jobs. With these assets in mind, prepare a list of job possibilities. Think as divergently as possible, as a first stage put down every possibility however improbable and leave the refining and ordering of the list until later. Many people in this situation think too narrowly at this stage — although ideally you may be looking for a very similar job to the one you are leaving, where your qualifications and experience are directly relevant, there are usually many parallel or linked job opportunities which might suit. A professionally qualified man might well consider the following possibilities:—

- (i) Employment of similar nature to his previous job, in private practice, central or local government, in Contracting or in a commercial undertaking.
- (ii) A post in research and development or in lecturing.
- (iii) Any of the range of jobs related to the Construction Industry e.g. in a Contractor's office; with a building materials supplier; with a mechanical plant firm.

- (iv) A job which utilises some of the same skills as his own profession, e.g. A quantity surveyor might apply for the position of estimator/cost controller for some industrial concern.
- (v) An appointment not related to his profession but for which he has some feeling and/or experience; perhaps in administration, management or finance.
- (vi) A job which would use the skills which he has acquired through hobbies or social interests.
- (vii) A retraining scheme which leads to a new career, e.g. teacher training to meet the demand for additional maths and science teachers.
- (viii) Giving a service or producing goods as a self employed person.

Each of these and other categories can then be considered under the headings of possibility, status, financial return, risk and whether it is a short or long term situation. Other basic questions need to be answered at this stage — Are you willing to move to get work? How far? In this country? Abroad? What are the constraints of the family? Children's education? Aged parents? Difficulty in selling/buying house, the financial cost of moving? Does your wife work? Is she willing to move? As a short term measure are you willing to take a job some way off, live there during the week and travel home weekends?

A family man will need to discuss all these matters with his wife and any mature children because any decision made could have a great impact upon their lives as well as his own. The outcome of his thoughts and discussions will be to decide upon a limited range of job possibilities.

With the present depressed economy the number of vacancies is much reduced and it is necessary to explore all sources of job information. It is not enough to look for relevant advertisements in professional and technical magazines or the general press; a much more active approach is required. Friends, relatives, previous employers, former colleagues, business acquaintances, or other personal contacts might well give a lead towards a suitable vacancy. Agencies and job centres need to be approached and professional bodies may have an appointments service which will help. If you require retraining to equip you for a different career, details of courses and grants can be obtained from job centres, local authorities and from the academic institutions concerned.

In applying for a particular job it is a positive and enthusiastic attitude which is most likely to get results. Remember that you are selling yourself. All the rules of marketing therefore apply. Applications need to provide all relevant information and be clear, convincing and well presented. The applicant, when faced with an

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The Application of the 1980 JCT Form of Contract in Practice

The following talk was given by Michael J Raven, FRICS, FCIQB, FIQS, ACI Arb at the 1981 Prestige Meeting of the South Yorkshire Branch of the Institute which was held at Sheffield City Polytechnic

The Branch Chairman, Mr Bill Waterworth, introduced the speaker and advised, at Mr Raven's suggestion, that the topic be extended to 'from the Contractor's viewpoint'.

Mr Raven gave a brief outline of the Standard Form's history, from an early quotation which stated that "contracts should be specific and definite in their terms", through the so-called "Builder's Charter" period to the present day form, whose objectives are that the conditions are standard and fair to both contracting parties. Mr Raven pointed out that although SMM6 and JCT 1980 have very definite links, it is perhaps surprising that SMM6 is based on a consensus of opinions, whereas JCT 1980 is the product of unanimous decisions of the eleven constituent bodies. It is perhaps because of this that revisions to the 1980 form could be expected in July as in previous years.

Mr Raven concluded the first part of his talk by stating that the day of the one-off Form of Contract was virtually over, and that an unwary professional adviser, who altered the Standard Form, was liable to place his Client at risk, with all the possible repercussions. The Standard Form in its present state is a document that is well known and has evolved steadily, and it is also the standard, against which other Forms are compared.

The speaker then turned his attention to the 1980 JCT Standard Form of Building Contract. The Form is divided into four parts, these being the Articles of Agreements, the General Conditions, Nomination provisions and the application of escalation and re-evaluation clauses.

The main difference with the Articles of Agreement from previous forms is the inclusion at Clause 5 of the arbitration provisions. Thus arbitration is more forcefully drawn to attention of the contracting parties than before.

In the General Conditions many of the 1963 Conditions remain to a large degree, for example statutory obligations, setting out materials and workmanship, clerk of works and determination. However, there are major changes between the 1963 Form and the new Form and Mr Raven devoted the rest of his talk to these.

Firstly, under Clause 5.3.1.2, the Contractor

must provide the Architect with two copies of his master programme. However, the programme is not a contract document and therefore no benefits or rights accrue from it, nor does it form an official request for information. It is only a "management tool". Mr Raven emphasised that the contract period is the Contractor's alone, and that under SMM6, if the Client or the design requires certain sequences of construction or operation then these must be stated in the Bill.

Clause 25 deals with extension of time. The Contractor must notify the Architect, in writing, of any delay being or likely to be caused by a Relevant Event, as defined under Clause 25.4, the old Clause 23. The Employer's failure to give access to and from the works is now included as an event giving rise to an extension of time. The old Clause 23 (j) (i) and (ii) have now been replaced by Clauses 25.4.10.1 and 2 which cannot be deleted. However, the Contractor cannot recover escalation of costs.

The Architect has twelve weeks in which to deliberate on an extension for the first time. The speaker thought this was too long a period, bearing in mind that three or four interim payments could pass and the Contractor would be left not knowing whether the programme would need altering. However, it was an improvement over the 1963 Form, which was open-ended. In the event that the Architect took longer than the time stipulated, Mr Raven thought that the matter should be put to arbitration and that possibly the contract would be "at large". Mr Raven also stated that these particular provisions were generally for the benefit of the Employer to preserve his rights to Liquidated and Ascertained Damages and not the Contractor. After the first occasion the Architect could review his previous awards in the light of any variations issued since his previous decision. However, the original contract period could not be reduced.

Variations under Clause 13 was the next topic, the point being that although the contract is a lump sum contract, variations are allowed and

their cost is recouped under Clauses 13.4 and 26. Mr Raven pointed out that the conditions of Contract could themselves be varied, but this should be done at the bid stage.

The speaker suggested that variations should be examined under four headings:

1. has a variation occurred at all and why?
 2. when did it occur?
 3. what was the work content?
 4. what was the effect on other unvaried work?
- Value, of itself is no measure.

There is no limit defined as to the amount or degree of variations allowed on a contract, although under Clause 4.1.1, the Contractor has the right of objection to a variation order.

Mr Raven pointed out that the valuation of variations under Clause 13.4.1 should firstly be by specific agreement between the contracting parties and secondly by the fall-back rules of Clause 13.5. He hopes that the Quantity Surveyor would be more flexible and base his valuation on fact rather than opinion.

Clause 26 concerns loss and expense and covers seven instances where the Contractor must write promptly to the Architect giving full details as to fact and cost. Nominated subcontractor's and suppliers' applications must as always be made through the Main Contractor.

Mr Raven stated that the Quantity Surveyor's role had been extended in the new Form, although not far enough, and that hopefully this would enable the Architect to detach himself from commercial constraints and to concentrate more on his role of designer.

To sum up extension of time and loss and expense provisions, the Contractor's notice is now a condition precedent for these matters to be considered.

Nominated subcontractors and suppliers was the next section, Mr Raven stating that nominations accounted for 30 per cent on average of work undertaken on a building contract and that although their voice and influence were rightly important they had possibly now been overdone, thereby probably

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interview, should have familiarised himself with the firm and have rehearsed answers to likely questions about his experience, qualifications and aspirations. He should ensure that he is presentable in all personal aspects, including dress, speech and demeanour.

Throughout the process, confidence and inner security are needed and these can only be achieved by adequate preparation. Introspection and honest self-analysis, an understanding and acceptance of one's strengths and weaknesses over the spectrum of personality, health, qualifications and experience provide a framework on which positive attitudes can be rebuilt after the confidence-breaking blow of job

loss. A marriage partner or close friend to whom you are prepared to "bare-all" is invaluable in providing an assessment of your capabilities.

Mental preparation and self assessment are key factors in the overall process of regaining employment but must be seen in terms of the total "package" which is being presented to the possible employer. More practical and factual matters include the adequacy and presentation of the application and curriculum vitae and the care with which this has been matched to the job description, the status of referees and the degree of support which they will give, the applicant's preparation for the interview and his reactions and responses therein, and his decision upon the level of salary and conditions which he would be

prepared to accept.

Beyond all this, it is necessary to face the fact that it will take several months of hard work and, possibly, many job applications to get back into employment. The older and higher up the tree you are, the longer it is likely to take. It is possible that many employers will reject painstaking applications without even offering an interview, some will not even reply. When an interview is achieved the possibility is that the job might go to someone whose particular quirks were of more interest to the selection panel. Persistence is the only answer. Only from a constant stream of applications, well presented, and varied in style to suit the situation, will success eventually come.