A FRAMEWORK FOR PROVIDING A LIFELONG SOCIAL SECURITY SYSTEM FOR THE OPERATIONAL WORKFORCE IN THE CONSTRUCTION INDUSTRY IN SRI LANKA

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A Framework for Providing a Lifelong Social Security System for the Operational Workforce in the Construction Industry in Sri Lanka

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Dedication

This PhD thesis is dedicated to

Capt. M G Kularatne and **Mrs. L L Piyawathee Kularatne**

for their invaluable and lifelong sacrifices for the setting up of benchmarks in the Sri Lankan construction industry

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List of abbreviations

AFSL	:	Armed Forces of Sri Lanka
ASB	:	Accounting Standards Board
ASC	:	Accounting Standards Committee
BFSL	:	Building Forces of Sri Lanka
CCI	:	Chamber of Construction Industry Sri Lanka
CID	:	Criminal Investigation Department of Sri Lanka
CPP	:	Canadian Pension Plan
EPS	:	Earnings Per Share
EU	:	European Union
FIDIC	:	International Federation of Consulting Engineers *(Fédération Internationale des Ingénieurs Conseils)*
FOC	:	Free of Cost
FRS	:	Financial Reporting Standards
FS	:	Funded System of Social Security
FTZ	:	Free Trade Zone
GBP	:	Great Britain Pounds
GCE A/L	:	General Certificate of Education (Advanced Level)
GDP	:	Gross Domestic Product
GOSL	:	Government of Sri Lanka
HEIs	:	Higher Education Institutions
HM	:	Her Majesty's
HMRC	:	Her Majesty's Revenue and Customs
HR	:	Human Resources
HSE-UK	:	Health and Safety Executive
ICE	:	Institution of Civil Engineers
ICTAD	:	Institute for Construction Training and Development
IT	:	Information Technology
JCT	:	Joint Contract Tribunal
JIT	:	Just in Time
JPS	:	Japan Pension Service *(Kokumin Nenkin)*
LTI	:	Lost Time Injuries
M&SC	:	Major and Specialist Constructors
MOENZ	:	Ministry of Education, New Zealand
NCASL	:	National Construction Association of Sri Lanka
NDC	:	Notional Defined Contribution

NGO	:	Nongovernmental Organisations
NVQF	:	National Vocational Qualification Framework
PAYG	:	Pay As You Go System of Social Security
PPE	:	Personal Protection Equipment
PR/SS	:	Pensions, retirement benefits or Social Security
SBD	:	Standard Bidding Document (Sri Lanka)
SLQF	:	Sri Lanka Qualification Framework
SLRs	:	Sri Lankan Rupees
SME	:	Small and Medium Scale Enterprises
SSAP	:	Statements of Standard Accounting Practice
USA	:	United States of America
US-SSS	:	United States System of Social Security
WBI	:	World Bank Institution

Declaration

This thesis is submitted under the rules and regulations of the School of the Built Environment, in the University of Salford in partial fulfillment of the requirement for the award of a degree of Doctor of Philosophy (PhD) by research in Management, Economic Research and Information Technology.

While the research was in progress, some of the research findings were published in referenced journals and conference papers prior to this submission (please refer to Appendix G).

The researcher declares that no portion of the work referred to in this thesis has been submitted in support of an application for another degree of qualification at this, or any other, university or institution of learning.

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Abstract

Construction is a projectised industry. One of the important resource requirements for construction projects is the availability of an operational workforce for its physical production. Hence, the operational workforce is a critical deciding factor in the success and failure of construction projects.

The construction sector in Sri Lanka is suffering from a shortage of a required operational workforce for its physical operations even though the unemployment rate in Sri Lanka is about 5.2%. Research has further highlighted that "work" and "pay" are only the surface factors, hiding underneath them (similar to an iceberg) are a multitude of different problems and the psychological needs of the workers. In addition to the shortage, there is a lack of an organised structure for human resources, which delivers time, cost and quality related behavioural constraints within the construction industry of Sri Lanka since circa the 1980's.

The aim of the research is to develop a sustainable framework for a lifelong social security system for the operational workforce of the construction industry in Sri Lanka without increasing the prevailing construction costs. The hypothesis is the minimising of resource wastages and behavioural impacts of current practices and the introduction a secured future life through a new system of lifelong social security [PR/SS] for the operational workforce. It is anticipated that the finances required for providing a social security system can be salvaged from the recovery values of material and time wastages and the demand and supply impacts generated as repercussions from the behavioural practices of the current operational workforce.

The research instruments used for gathering primary and secondary data for evaluating the financial impacts of behavioural constraints were a questionnaire survey and audited financial statements. About 400 questionnaires (That were premeditated to calculate the monetary impacts of the social behaviors of the construction operatives via 'degree of importance' and 'relative important index') were distributed to higher management of contracting organisations in Sri Lanka. A further request was made to the contracting organisations to provide audited statements for the past five years.

From the research, it was identified that the unavailability of a human resources structure is a major constraint for the construction industry in Sri Lanka. Salvaged finances that could derive from the removal of the transitional layers of risk multiplication and the removal of the behavioural constraints of the construction operatives are sufficient to

finance a lifelong social security system for themselves. Based on the research findings, a framework for the Building Forces of Sri Lanka [BFSL] was developed to overcome from the interim thinking pattern of the current construction operatives. In the current system, contracting organisations are not capable of providing the required training for the operatives. With the implementation of BFSL alongside the strong intervention from statutory organisations, a trained operational workforce can be developed to face any situation within the construction arena in Sri Lanka.