Theoretical foundations of a generally accepted business management system in the construction industry

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Abstract. The article discusses the basics of a generally accepted business management system in the construction industry. Business is an integral part of any country’s economy, being its foundation, and successful business requires deep understanding of its system. Needless to say, business systems differ from country to country especially if there is construction planning in the company's projects, and have their own productivity; the present article deals with the generally accepted system with construction elements, dwelling upon such concepts as generally accepted rules of document flow; business principles; transactions; construction design, construction scheduling and execution of site plans; time management; increasing productivity and efficiency of finished products; raising the quality of products; expanding the customer base; improving software technologies; creating new programs tailored to the company’s specifics; increasing profits and minimizing costs; hiring qualified personnel; reducing unforeseen expenses and risks of bankruptcy; computerizing documentation; eliminating failures of software technologies; creating good advertising for the company; monitoring the work of the media, monitoring correct execution of commands among employees and enterprises that provide services and raw materials for production; finding raw materials at the lowest price, even better at cost; managing labor distribution to reduce time and duplication of labor duties; creating innovation centers in the enterprise.

Keywords: business, innovation, innovation centers, organization, construction, personnel management, management tasks.

1 Introduction

Higher business education does not necessarily teach students how business works in real life and how to schedule construction projects, build a business, and accurately set up a time management formation; graduates frequently face the necessity of doing everything by the book, and the knowledge acquired over 4-5 years does not grant an opportunity of applying it as things work differently in practice. Textbooks on economic theory display flawless graphs, charts and diagrams while the real world rarely offers complete, or at least partial, convergence with the ideal economic model.

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Business management is usually understood as activities aimed at drawing up decisions, developing production schemes, correctly calculating the cost of finished products, construction of facilities and subjects of buildings and structures, organizing all components of business processes, controlling expenses and revenues, selecting and managing qualified personnel, managing the object in accordance with the initially set goal, thoroughly analyzing and summing up results based on reliable information from compiled reports, and comparing planned estimates with the actual result of the enterprise. If the plans converge perfectly, one can start developing new types of goods or services including the construction of facilities and their commissioning; negative deviation from the actual result requires paying special attention to the control processes, to personnel qualifications, and so on.

2 Materials and methods

Any business management must adhere to a certain order:

Automation→ Control→ Analysis→ Development→ Modeling

Let us delve deeper into the methods for each component.

Concerning automation, the sole method is expansion and improvement of IT technologies in any enterprise (regardless of its scale), which is achieved through introduction of new programs, which in its turn requires hiring highly qualified programmers who are very few and difficult to find.

Regarding control, an improvement method here will be introduction of new professional programs, so that each business entity is interested in compliance with all control functions and rules. The technology market lacks a program that would offer combined accounting data, legal data, and HR department data, as well as combining a system for concluding contracts with the contracts themselves; if said enterprise is foreign, it is necessary to translate all this data, which will yield a bilingual company base, very convenient for employees of any enterprise, since collecting all this data can be time-consuming.

Besides competently compiled reports, the analysis can be supplemented with correctly compiled calculation of production costs (including additional and unforeseen costs); the issue of a daily growing indicator such as inflation also arises.

Undoubtedly, developing any business requires developing labor potential and advanced training of employees in working with construction facilities. Recruitment management is a subprocess of personnel management, and it influences all aspects of activity. Annual professional training including that of civil engineers, urban planners, foremen, installers and landscape architects is also a vital issue; however, almost every second company tries to save money in this respect, yet this is definitely not an expense that is to be cut. Ideally, experience exchange between public and private enterprises is to take place annually or every two years, if possible, especially with enterprises where construction of facilities is the main activity; this would lead to the rapid development of any enterprise in the country, as well as the economy as a whole.

Modeling is no less important than the other components, since it means new developments and implementation of innovative business models of an organization (strategy, business processes, organizational structure, quality, etc.) to formalize and optimize its activities with maximum efficiency.

3 Results and discussion
Discussion of business management has to include all fundamentals of action which are: planning, personnel motivation, organizing and controlling business processes.

a) Planning is the basis for developing not only any business but also any economic factor and action: no enterprise will be able to achieve the desired results if no clearly defined goals are set and intended ways to achieve them are identified. Moreover, this business stage requires determining the approximate size of the economic resources required to solve the tasks. Naturally, planning in itself is not a guarantee that all the ideas will be realized, yet the company must strive for this. Implementing any plan, including construction of facilities, requires adjustments and additions; however, it is the basis necessary to move forward, since ways of implementing all the points of a plan and making adjustments are revealed during business processes.

Organization. This part of business management involves the creation of a specific business structure. It is necessary to organize interaction between people performing different stages of work, that is, to systematize the work as well as determine who is responsible for solving each task.

Motivation. Any manager, regardless of the type of activity, needs to give motivation to all the employees because motivation underlies their activities and encourages them to complete all the assigned tasks and adhere to the plan. Notably, motivation is determined by a common set of basic needs which can constantly change. Proper business management presupposes the manager’s ability to motivate employees to work effectively not only with the help of money but also with various planned events in the enterprise.

Control. The basis of any successful enterprise management involves periodically checking the organization’s work to determine whether the results correspond to the set goals, or rather, a making a comparison of plans and actions and compiling analysis during all business processes.

The key issue in the business system is the non-convergence of the set plans and actions, that is, of planning and implementation, especially in due time. In addition, force majeure (most often not taken into account in business planning) negatively affects the overall business productivity and efficiency.

4 Conclusion

To confidently carry out their activity and adapt to work in any planned and unforeseen conditions, companies are to find innovative ways of doing business, including both operational and the usual course of documentation, namely proper planning and control of all activities, which directly depends on the object of management and the profitability of the enterprise, regardless of the type of activity, since correct diagnosis of units responsible for finance, profit, distribution of all types of resources, etc., allows making informed management decisions and correctly planning the activities of the enterprise aimed for the result, adhere to and stay within the set deadlines allocated for the construction of facilities that significantly affect the company's future results. Such division is usually called a strategic business unit which is responsible for developing the company’s strategy regarding its activities. The idea of identifying strategic business objects had a strong influence on the development and formation of management systems in enterprises. Notably, at present the importance of using new management technologies and marketing tools is greatly increasing.

The author expresses gratitude for organizing this large-scale conference to scientific supervisor Anna Igorevna Kramarenko, who greatly facilitates and motivates all scientific work. Despite being a consumed professional and managing her family, she is always available for consultation and gives the necessary impetus to new ideas concerning scientific research and academic work, and also promptly informs about new internal and international interuniversity conferences.
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