

2012 Productivity Report - Construction



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Publisher

Profiles International

Dr. Doru DIMA, National Director

35 Miraslau Street

Brasov, Romania 500075

Profiles International Romania

+4 0268 426336

+4 0372 730815

www.profilesinternational.ro

www.romaniasmostproductive.com

Profiles Research Institute

Research Director: Andreea Turlea

17 C Sevastopol Street

Bucharest, Romania 010991

+4 021 3125707

Acknowledgements

Editor-in-Chief: Dr. Doru DIMA

Researcher: Andreea Turlea

Webmaster: Radu Taranu

Research Associate: Irina Ceortan, Anca Foales

Consultant: Lucian Gheorghe



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“We identified the companies that ranked highest in each category and took a closer look at the practices that enable them to out-produce their peers.”

Introduction to this report

We initiated this study to help us better understand the factors that drive employee productivity within an organization. Within the construction industry, we narrowed our focused on:

- Construction of buildings
 - Construction of residential and non-residential buildings
- Civil engineering
 - Construction of roads and railways
 - Construction of utility projects
 - Construction of other civil engineering projects
- Specialised construction activities
 - Demolition and site preparation
 - Electrical, plumbing and other construction installation activities

In economics, “productivity” is a measure of output per unit of input. For purposes of this study, we defined labor productivity in terms of revenue produced per full-time employee. Calculating this required us to analyze financial data from various publicly traded companies in the construction sector to identify the companies that ranked highest in each category. We then took a closer look at the practices that enable them to out-produce their peers. By understanding these practices, we hope to educate ourselves and our clients about the practices that can help them run more efficiently and become more competitive in the marketplace.

The Scope

999 Companies

244.594 People

15 Industries

58 Sub-Industries

131 Basic Groups

The Formula

Labor Productivity

=

Revenue

per

Full Time Employee

How we measure productivity

In economics, “productivity” is a measure of output per unit of input. This study focuses specifically on labor productivity, defined as revenue produced per full-time employee or full-time employee equivalent in 2011. This study covers only Romania-based companies.

In order to calculate productivity, we analyzed financial data from over 5.000 publicly traded companies in order to determine a company’s revenue and number of employees. Once we had these two numbers, it was fairly simple to calculate a company’s labor productivity.

Comparing Apples to Apples

We grouped companies into 58 sub-industry groups and 131 basic groups to produce a more meaningful analysis. Our assumption is that companies competing in the same industry generally go about their business and recognize revenue in a similar manner, while different industries have differing degrees of labor intensity. It is therefore difficult to draw meaningful conclusions by comparing labor productivity across different industries such as retail and financial services.

This means that the most meaningful measures included in the study are the rank orderings and comparisons within each sub-industry group.

We used as a source of information on data entered in this analysis:
<http://www.listafirme.ro/>.

2012 Romania's Most Productive Companies: Rankings

Industry: Construction - page 1

Construction of buildings		
Construction of residential and non-residential buildings		REV/FTE
1	SIGUR INDUSTRIAL CONSTRUCT SRL	3,512,183.44
2	REAL DESIGN TRUST SRL	1,916,285.16
3	HOCHTIEF SOLUTIONS AG ESSEN	1,612,708.68
4	IMOB LUX CONSTRUCT SRL	1,327,888.03
5	STRABAG SRL	1,307,651.93
6	ZIGGY CONSTRUCT SRL	1,265,149.20
7	MARCO MANAGEMENT SRL	884,502.89
8	TEHNODOMUS SA	848,063.07
9	P.A.B. ROMANIA SRL	813,250.75
10	TERRA GAZ CONSTRUCT SRL	771,130.36
11	ICONOMIC SACOM SRL	758,198.50
12	BAUPARTNER CONSTRUCT SRL	728,385.30
13	OYL COMPANY SRL	703,588.84
14	CONSTRUCTIM SA	659,440.47
15	BUILD CORP SRL	639,840.63
16	ACOMIN SA	628,204.87
17	GENERAL SERVICE GRUP 98 SRL	600,538.66
18	CONARG CONSTRUCT SRL	595,493.27
19	VALDEK IMPEX SRL	584,949.32
20	CONSTRUCTII ERBASU SA	580,444.16

Construction of buildings		
Construction of residential and non-residential buildings		REV/FTE
21	VIVA CONSTRUCT SRL	578,064.26
22	PETRO CONSTRUCT SA	554,121.04
23	SYNERGY CONSTRUCT SRL	544,344.31
24	TRANSIM GRUP SRL	542,515.98
25	TARR CONST SRL	519,448.76
26	CASTRUM CORPORATION SRL	499,127.84
27	POMPONIO CONSTRUCTII SRL	498,914.98
28	GLOBAL VISION SRL	494,635.87
29	PLUS CONFORT SRL	489,200.76
30	TEHNIC ASIST SRL	479,821.53
31	CON A SRL	471,447.12
32	ART CONSTRUCT ACM SRL	464,877.78
33	OCTAGON CONTRACTING & ENGINEERING SA	462,702.69
34	PROCER COMPANY SA	454,133.88
35	EXPERT BUILD & DESIGN SRL	440,993.41
36	MBS GROUP SRL	436,130.25
37	AEDIFICIA CARPATI SA	426,496.85
38	ROM SERVICE CONSTRUCT SRL	421,024.61
39	ADRIAN CONSTRUCT SRL	419,455.38

2012 Romania's Most Productive Companies: Rankings

Industry: Construction - page 2

Civil engineering

Construction of roads and railways

REV/FTE

1	BILFINGER BAUGESELLSCHAFT M.B.H.	1,125,894.16
2	REIF INFRA SRL	1,116,068.61
3	ROMAIRPOR7 SRL	958,732.27
4	IMPRESA PIZZAROTTI & C SPA	845,936.64
5	AXELA CONSTRUCTII SRL	784,899.76
6	CAST SRL	771,694.05
7	TANCRAD SRL	730,416.09
8	VIAROM CONSTRUCT SA	728,780.23
9	CAMAND IMPEX SRL	607,146.02
10	PA & CO INTERNATIONAL SRL	599,178.87
11	TIRRENA SCAVI SPA ITALIA	586,033.49
12	TECHNOCER SRL	575,723.80
13	S E CO L ROMANIA SRL	565,139.82
14	TECNOSCAVI SRL	559,729.53

Civil engineering

Construction of roads and railways

REV/FTE

15	DIFERIT SRL	552,812.66
16	SWIETELSKY CONSTRUCTII FERROVIARE SRL	522,085.59
17	NEWAMPORT COMPANI SRL	495,700.23
18	COMPANIA CONSTRUCTII FERROVIARE SA	493,501.75
19	REGIA AUTONOMA JUDETEANA DE DRUMURI SI PODURI CONSTANTA RA	489,595.15
20	DRUMSERV SA	489,396.65
21	AUTOPRIMA SERV SRL	488,144.01
22	BITUNOVA ROMANIA SRL	454,971.75
23	EURO CONSTRUCT TRADING 98 SRL	454,484.29
24	TEHNOSTRADE SRL	442,725.86
25	ING SERVICE SRL	432,106.84
26	DRUPO SRL	429,275.47
27	ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ SA	424,444.34
28	GROUP D.C.M. SRL	421,158.39

2012 Romania's Most Productive Companies: Rankings

Industry: Construction - page 3

Civil engineering

Construction of utility projects		REV/FTE
1	COMESAD RO SA	583,848.13
2	CAM US AT ROM TELECOMUNICATII SRL	530,810.82
3	BOCCARDO ENTREPRISE SRL	488,484.69
4	GEPROCON SA	443,190.54
5	GRUP 4 INSTALATII SA	429,626.65

Construction of other civil engineering projects		REV/FTE
1	ROMELECTRO SA	3,659,902.29
2	REPCON SA	2,283,219.57
3	HOLDING AKTOR ATHENA SA	540,574.59
4	CONTEHNO SRL	516,291.56

Specialised construction activities

Demolition and site preparation		REV/FTE
1	CONVERSMIN SA	1,890,570.34
2	AB CONSTRUCT SRL	563,063.47
3	APOLODOR COM IMPEX SRL	507,457.08
4	TRANSMARIN SRL	432,495.23

Electrical, plumbing and other construction installation activities		REV/FTE
1	ENERGOBIT SA	2,103,023.42
2	BITEA CONSTRUCT SRL	835,200.44
3	SCHINDLER ROMANIA SRL	780,499.66
4	CIVITAS SYSTEMS SRL	675,828.14
5	TEMPOS SERV SRL	643,117.34
6	HELINICK SRL	581,682.11
7	AVI COMPACT SRL	526,180.14
8	ISOPLUS ROMANIA SRL	524,356.58
9	SCA.MO.TER. SRL	501,746.96
10	ELECTROGRUP SA	498,672.80
11	UNICOMP SRL	438,251.73
12	HIGH TECH CLIMA SRL	436,604.24
13	DEMARK CONSTRUCT SRL	433,785.65
14	FLASH LIGHTING SERVICES SA	428,369.45
15	ELECTROSERV TIRNAVA EXIM SRL	427,964.52

Overview of Findings:

Attributes of Romania's Most Productive Companies



Once we finished gathering and analyzing the data that allowed us to rank Romania's Most Productive Companies, we completed some follow-up research on a number of the most productive companies. This consisted of an online literature review and interviews with select executives. Our follow-up research helped us identify a number of best practices that we believe explain outstanding productivity. These ten key attributes can be further categorized into 5 “People Attributes” and 5 “Strategic and Operational Attributes.” We list these below:

People Attributes

1. Performance-driven culture
2. Effective managers
3. High employee utilization
4. High employee effectiveness
5. Encouragement of innovation

Strategic and Operational Attributes

6. Technological sophistication
7. Financial sophistication
8. Operational sophistication
9. Effective distribution channels
10. Marketing and Brand Sophistication

We will further explore each of the people attributes in the next several pages of this report.

Romania's Most Productive Companies: People Attributes

1. Performance-driven Culture



Talking the talk and walking the walk

Organizational culture is defined by the attitudes, beliefs and values of an organization. It is an important driver of employee behavior, particularly when employees are required to act on their own initiative in a way that is consistent with a company's objectives, culture and values.

Although a strong organizational culture is generally considered a positive attribute, it is not sufficient to enhance productivity on its own.

A large number of Romania's Most Productive Companies have built true **performance-driven cultures** in which the entire workforce focuses its effort on achieving the results most important to the organization. In such environments, a strong culture helps the firm operate like a well-oiled machine, cruising along with outstanding execution and only occasionally requiring minor adjustments.

Define the model and select people who fit

The leaders of Romania's Most Productive Companies tend to have a consistent, shared understanding of both the company's current culture and its future culture. These leaders tend to promote individual initiative and high levels of teamwork, both of which are essential ingredients for achieving results.

Additionally, these leaders are likely to have defined the types of people who fit the company culture. **This helps them identify precisely the people for whom they are looking and then present their culture and values to potential hires in order to evaluate fit.** They are more likely to say "no" to a highly qualified candidate who does not fit into the company culture.

Romania's Most Productive Companies: People Attributes

2. Effective Managers



Effective managers = Success manager

An “effective” manager is more than a supervisor. He or she takes responsibility for ensuring that an individual succeeds and that the team, department or business unit achieves its expected results. This is similar to the way successful coaches develop players in order to win games and championships.

Similar to successful athletes, successful managers require both talent and skill. Managerial skills can be developed through training, mentoring and experience. But if a manager is void of natural talent, then the odds that he will be successful diminish significantly.

The Most Productive Companies are typically more proactive than their peers when it comes to identifying and developing effective managers. Common managerial success traits include:

Communication: Listens to others; Processes information; Communicates effectively

Leadership: Instills trust; Provides direction; Delegates responsibility

Adaptability: Adjusts to circumstances; Thinks creatively

Relationships: Builds personal relationships; Facilitates team success

Task Management: Works efficiently; Works competently

Production: Takes action; Achieves results

Development of Others: Cultivates individual talents; Motivates successfully

Personal Development: Displays commitment; Seeks improvement

Insight to enable coaching and success

The Most Productive Companies also give their managers the information and tools they need to understand the capabilities and styles of their teams. This gives managers a solid foundation for more effective coaching relationships.

Romania's Most Productive Companies: People Attributes

3. Employee Utilization



Establish clarity to run lean

Simply put, Romania's Most Productive Companies do more with fewer people.

It starts at the top with a clear strategy that cascades into a properly designed organization with jobs that execute the strategy efficiently. All jobs have clear descriptions and goals so that everyone knows exactly what needs to get done and how. This ensures, for example, that three people are never doing the work of two.

Romania's Most Productive Companies closely monitor and benchmark personnel expenses. They review requests to create new jobs with intense scrutiny and a healthy level of skepticism. They expect people to arrive at work a little earlier and leave a little later, and they reassess priorities to determine what work is most important and what activities can be streamlined because they don't add sufficient value.

In a traditional sense, they are more open to investing in technology and training if it reduces and/or slows the growth of headcount.

Flexibility to adapt

Since many of these organizations run so lean, they are usually more flexible than their peers in handling special circumstances such as special projects, peak demand periods and unplanned employee absences. Full-time employees are cross-trained to cover for one another in times of short-term need. The Most Productive Companies cultivate good sources of contract and temporary labor and have good practices to ensure they deliver on what is expected.

Overall, these companies use superior talent management practices so that they can easily identify a potential need for additional people. And they have efficient selection and on-boarding practices so that new people become productive in a short amount of time.

Romania's Most Productive Companies: People Attributes

4. Employee Effectiveness



Set clear goals + inspect what you expect

Running lean is not the only thing a company must do in order to run well. Goals must be achieved at the employee level so that results are observed at the organizational level. In the Most Productive Companies, strategic objectives and goals are clearly defined at all levels of the company and performance measures are closely aligned with strategy.

As a result, employees focus on the aspects of their jobs that matter most to the organization.

Right people in the right jobs...

Additionally, the Most Productive Companies keep always before them a clear picture of the type of employee who has the best chance of succeeding in the role. They consider an employee's fit with the job, the team and even the manager. And they use the characteristics displayed by high-performing employees in each role as a model for prospective hires.

...with the experience, skills and equipment to deliver

Although critically important, "fit" alone is not sufficient to ensure that an employee will be effective in a job—experience and skills also factor largely into the formula. The Most Productive Companies are more likely than their peers to identify the particular experience and skills needed for success and then provide specific training to help employees close the ability gap.

The fact is these companies are more likely to employ techniques that involve ergonomic design and worker comfort. This often reduces workplace injury and improves employee satisfaction, all of which enhance effectiveness and productivity.

Romania's Most Productive Companies: People Attributes

5. Innovation



A series of singles or a home run?

The word “innovation” often evokes images of secret laboratories, major breakthroughs and home-run products. Most productivity gains, however, are the result of incremental improvements to—and fine tuning of—existing business processes. Although the home runs grab the headlines, the singles, doubles and walks can add up to significant gains over time with much lower investment.

The Most Productive Companies are likely to encourage an exchange of ideas among employees, managers and leaders to make the business more competitive. When employees and managers have open lines of communication, employees become more invested in the organization’s wellbeing.

Actions speak louder than words

Open communication and a spirit of teamwork are essential to identifying innovation opportunities. Engagement and productivity actually suffer, however, when the organization sets expectations and then fails to deliver on recommendations.

The Most Productive Companies typically do a better job of putting ideas into action than their peers. This is possible because they run with fewer employees and continually innovate. As we mentioned before, they typically add employees only when absolutely necessary.

Management is attuned to improvement opportunities and leadership makes investment decisions quickly when a compelling case can be made for investing in new opportunities.

In short, innovation is everyone’s business, not just that of the R&D department.



Summary of Lessons Learned:

People Attributes of Romania's Most Productive Companies

1. Performance-driven cultures where actions and results speak louder than words.
2. Clearly defined attributes of people who fit their culture, which they use to support hiring decisions.
3. Proactively identify and develop effective front-line managers.
4. Invest in information and tools to help front-line managers better understand their people and succeed.
5. Clearly align roles and responsibilities with the goals and organization necessary to execute strategy.
6. View requests to add headcount with healthy skepticism, and only after exhausting good alternatives.
7. Employees have clear goals to help them focus on the outcomes that matter most to the organization.
8. Employees have the right “fit” for their jobs, as well as proper experience, skills and equipment to perform.
9. Innovation results from incremental improvements to and fine tuning of existing strategy and process.
10. Failure is not discouraged, and open communication, team work and risk taking help drive innovation leaps.

imagine great people™

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Profiles International – Who We Are

Profiles International is the world leader in selecting and developing high-performance workforces through innovative human resource management solutions and a comprehensive suite of employment assessments that help companies gain a competitive advantage by selecting, hiring, retaining and developing great talent.

Continually validating and updating its assessment products, Profiles serves many of the largest companies in 122 countries around the globe.

About Profiles International

Products of Interest



ProfileXT®

PXT – The [ProfileXT®](#) is a ‘total person’ assessment that has a myriad of uses. It measures job-related qualities that make a person productive – thinking and reasoning style, behavioral traits, and occupational interests. These qualities in an individual directly affect their productivity and the productivity of their entire team. An added benefit? The ProfileXT provides 10 reports from one fifty-minute assessment: individual report, placement report, succession planning report, candidate matching report, coaching report, job analysis report, sales placement report, sales management report, summary reports and graph reports.



CheckPoint 360°™

[CheckPoint Management System](#) combines direct feedback by direct reports, peers, supervisors as well as customers, with a personalized program for developing specific leadership skills based on that feedback. This assessment process highlights a manager’s job performance in 8 skill clusters: leadership, communication, personal development, development of others, production task management, relationships, and adaptability. **The CheckPoint 360° uncovers the following productivity killers:** ineffective management practices, poor communication, inadequate leaderships, distrust of management, inability to delegate, low motivation, lack of commitment, stagnation of ideas and status quo, low performance standards, workplace conflicts.

About Profiles International

Products of Interest



Customer Service Profile™

Another key to driving performance is having a consistent company message. CSP – [Customer Service Profile](#) measures key characteristics of exceptional customer service. How much easier is it to drive performance when the people touching our clients on a daily basis are all on the same page? The CSP looks at what our current and future employees believe is a high level of customer service, while at the same time showing us where they align (or not) with our company's perspective.

Step One Survey II®

The use of superior talent management practices that can easily identify a potential need for additional people or better use of existing resources. With efficient selection and on-boarding practices, both new people and incumbents become more productive in a short amount of time. SOSII – [Step One Survey II®](#) can help give new employees the head start they need from day one. By making sure prospective applicants are a 'fit' for our corporate culture before joining the team, we can know in advance how a person can assimilate into a work environment in the optimum amount of time. Looking at an applicant's work ethic, honesty, integrity, propensity for substance abuse and their attitudes on theft (including property, data and the most expensive commodity; time), can give a much-needed preview into how well this person will mesh with a company's current culture climate.

Profiles WorkForce Compatibility™

[Profiles WorkForce Compatibility](#) is a powerful tool which measures critical workplace compatibility information between a manager (executive, director, supervisor, team leader) and their employees. **PWC is used to increase productivity, identify and close compatibility gaps between manager and employee, improve communications between manager and employee, raise the level of engagement and reduce employee turnover.**

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+4 0268 426336

+4 0372 730815