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Human Resources Practices Influence on Project Success: Case of Project-Based Construction Organizations in District Lahore, Punjab

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ABSTRACT

This research aims to determine, hypothesize and theorize the significance of human resource management (HRM) practices towards project success and performance in the project-based construction businesses of district Lahore-Punjab-Pakistan. The effective HRM is considered as foundation of significant and supportable competitive power and pillar for the Construction organizations. It supports and leads to success of projects and business, however there is lack gap of extensive studies to fairly portray the conceptual model of HRM practices, staff and businesses and projects success relations specifically in the construction firms of district Lahore. The wide-ranging research works recognized the HRM-factors and project success association. After reviewing the extant literature on HRM and performance, different conceptualization has emerged. The most important with regards to HRM practices to understand the firms succeed in its goals and objectives of project success. The primary data obtained through self-administered questionnaire. Using random sampling, a sample of 150 survey questionnaires were distributed among the employees of construction firms and 130 valid survey form were returned. The statistical treatment on data set was carried out in SPSS. It is concluded that the HRM practices have positive impact on success of project in the firms. This research may significantly contribute to HRM framework tend to enhance project performance in the construction sector of Punjab-Pakistan.



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Introduction

The idea and concept of 'project-based task' emerged since last two decades in major sectors of industries and business finances. Researches proved that employees switch their careers to a flexible mode that facilitates learning from tasks, projects, and experiences. The challenges of technology evolution suggest changing the leadership role from leaders to those who can lead and lead teams, support connections and engagement, and support a culture that enhances growth, innovation, and development. These managers must be able to manage a diverse workforce, in-

house employees, contractors, and temporary (on-demand) (Schwartz et al., 2017); Schwab & Samans, 2016).

Research on projects-based firms as temporary ventures is very rare, except that they are normal structures within an organization from an HRM perspective. The impact of project-based organizations on human resources is significant. Work management through the project also means fairness, ethics, and great motivation from an employment perspective. Staff involved in the project become part of the job. In addition, the HR function in various leadership roles has not been considered in the literature. Therefore, with the above framework in mind, we set out to consider key developments related to the relationship between HRM and project-based organizations (Keegan, Ringhofer, & Huemann, 2018); (Crawford et al., 2006); Vicentini & Boccardelli, 2014); (Kenis et al., 2009).

Objective

To measure and evaluate the HRM practices and factors which contribute and influence to project success of the construction firms in district Lahore, Punjab-Pakistan?

Research question

In what ways HRM practices and factors contribute and influence to project success of the construction firms in district Lahore, Punjab-Pakistan?

Hypothesis

HRM practices and factors contribute and influence statistically significantly to project success of the construction firms in district Lahore, Punjab-Pakistan?

Literature Review and hypothesis development

HRM is defined as the intent of both explicit and secret organizations in relation to the management of people expressed through philosophy, policy and practice and numerous studies conducted by the capabilities and talents in a company is a result of HR manager's selections for effective implementations of HR practices (Tyson, 1995); (Chowhan, 2016); (Torrington et al., 2011); (Clinton & Guest, 2013); (Wright & Boswell, 2002).

Reputation of HR in firms

The aim HR department in an organization to support and guide the employees to get their benefits and rights. Most small businesses do not have a formal human resources department. Every company has a recruitment and personnel policy, even if implicit. Many important roles of HR section, as they encourage effective companies to play many roles in the HR department in today's highly competitive environment. The roles framed related to productive of organization, for better quality of the working of the organization, it is more likely to help create and improve and advantage of Staff flexibility. The HR managers tend to put important roles to implement HR practices effectively.

Functions of HR

As your business grows, you need to manage your HR capabilities. The major function includes all roles, obligations, and responsibilities from recruitment process, education and training, performance planning and evaluation, compensation and other compensation to retirement. Personnel functions include not only general managers and personnel departments, but also line managers and employees themselves.

Recruitment and selection

The HR managers and firms owners focus on the ability of applicants and organization owners, not job suitability, to increase the flexibility of the multitasking workforce at SME facilities. Emphasize that. We want to succeed in the global market (Holt, 1993). The issue of HR practices less addressed in the literature than the interest and importance to entrepreneurs (Heneman et al., 2000).

Training and development

According to Smith (1990) the developing and improving organizational talent and employees performance is an integral part of an organization that can optimize the use of key resources to achieve a sustainable competitive advantage for business and staff performance.

Performance appraisal

It evaluates and assesses the performance of staff. The HR practices in small businesses found that formal systems were generally rare, although half of the respondents used some form of assessment. The firms are particularly suffering because of formal procedures for managing performance evaluation, disciplinary action, or worker dismissal are rare in SMEs (Cardon & Stevens, 2004). It seems to be interesting to note that SMEs use formal schemes to informally evaluate employee performance.

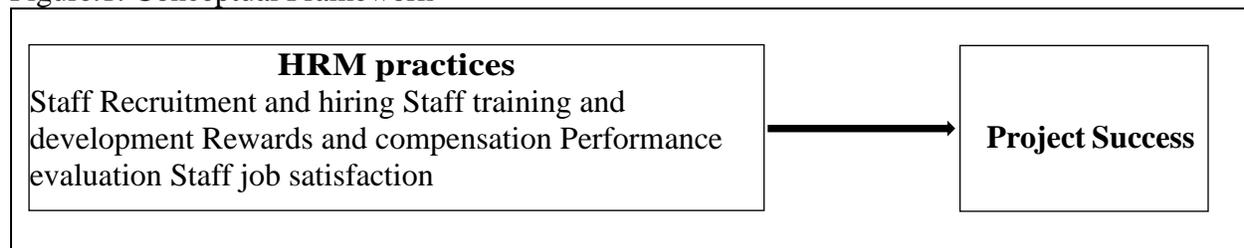
Compensation and reward

It is very important dimension of HR practices. If a company does not pay enough to workers then it cannot grow and survive. Rewards include psychological rewards, learning opportunities, and awareness, in addition to basic salaries and monetary rewards in the form of incentives (Heneman et al., 2000).

Conceptual framework and Hypothesized model

The, construction firms have been faced with a great deal of competition which increases in future. The HR managers must be focused to maximize the utilization of human resources for improving project success. The proposed model determining the association between HRM practices and project success is shown in Figure. 1:

Figure.1: Conceptual Framework



Method

Population and Sample

The population was comprised on all those project managers who get involved in civil projects in construction companies of district Lahore-Punjab. The sample consisted on (130) project managers from 150 construction firms registered with PEC. Sample was selected using simple random technique.

Instrumentation

On order to achieve objective of research. a questionnaire having 5-point Likert-type scale was used as instrument to gather data from sample participants. The first section included as

demographics profile of participants, followed by relevant items of HRM practices as independent variables and statements related to project success as outcome variable.

Procedure of data collection

The primary data were collected only through distributing of questionnaires. The researcher gathered the responses through personally visit to every participant. A total of 150 questionnaires were distributed and 130 valid and fully filled forms were returned with informed consent and voluntarily. The response return rate was 87%.

Validity and reliability

The instrument was validated through experts of opinions. Some of items were modified and a few were excluded based on experts' suggestions. The check the reliability consistency and stability of instrument, the Cronbach's alpha test was used to meet the acceptable level ($\alpha > .70$).

Results of data analyses Table 4.1

Descriptive Statistics

HRM practices/factors	Mean	Std. Deviation	Level of influence
RSH	3.23	.398	Medium
STD	3.18	.358	Medium
RC	3.35	.369	Medium
PA	3.42	.365	Medium
SJS	3.40	.516	Medium
Average/Total	3.32	.401	Medium

Table 4.1 showed that the participants perceived arithmetic average score ranged from 3.18 to 3.42) as compared to mean value of scale (3) and overall mean of (3.32, SD=.401) reflects positive attitude towards HRM practices which influence on project success. The most influential HRM practice is "performance appraisal & evaluation" (3.42, SD=.365) followed by Staff job satisfaction factor (3.40, SD=.516) and employee rewards & compensation (3.35, SD=.369) respectively. It expressed that the HRM managers must consider meaningfully on these three aspects of HRM. While the least influential factor is staff training and development (3.18, SD=.358) followed by staff recruitment and selection (3.23, SD= .398). This indicates that the HRM managers need to raise the awareness about staff training & development and recruitment process.

Table 4.2

Simple regression analysis model summary

Model	R	R ²	F-calc.	Std. β Coeff.	t-calc.(Sig.)	Result/Decision
PA \square PS	.524	.275	48.470***	.524	6.962***	Accepted
SJS \square PS	.403	.163	24.853***	.403	4.985***	Accepted
RC \square PS	.326	.107	15.263***	.326	3.907***	Accepted
RS \square PS	.268	.072	9.874***	.268	3.142***	Accepted
STD \square PS	.289	.083	11.646***	.289	3.413***	Accepted

Note: *** Sig. <.001

Table 4.2 revealed that the calculated t-value is statistically significant at $\alpha < .001$ indicating that performance appraisal (PA) practice of HRM has significant impact and influence on project success (PS) in construction firms. The coefficient R-value = .524 illustrates a positive significant

association between variables. The coefficient of determination R²-value = .275 indicates that 27.5% variance in project success may be contributed and intercepted through performance appraisal factor. While the remaining percentage or proportion is credited by other variables which are hidden in the regression model.

It is exposed that the calculated t-value is statistically significant at $\alpha < .001$ indicating that Staff job satisfaction (SJS) practice of HRM has significant impact and influence on project success (PS) in construction firms. The coefficient R-value = .403 explains a positive significant relationship between variables. The coefficient of determination R²-value = .163 indicates that 16.3% variance in project success may be contributed and intercepted through Staff job satisfaction (SJS) factor. While the remaining percentage or proportion is credited by other variables which are hidden in the regression model.

Table 4.2 discovered that the calculated t-value is statistically significant at $\alpha < .001$

indicating that rewards & compensation (RC) practice of HRM has significant impact and influence on project success (PS) in construction firms. The coefficient R-value = .326 demonstrates a positive significant association between variables. The coefficient of determination R²-value = .107 indicates that 10.7% variance in project success may be contributed and intercepted through rewards & compensation factor. While the remaining percentage or proportion is credited by other variables which are hidden in the regression model.

Table 4.2 indicated that the calculated t-value is statistically significant at $\alpha < .001$ indicating that recruitment and selection (RS) practice of HRM has significant impact and influence on project success (PS) in construction firms. The coefficient R-value = .268 illustrates a positive significant association between variables. The coefficient of determination R²-value = .072 indicates that 7.2% variance in project success may be contributed and intercepted through recruitment and selection factor. While the remaining percentage or proportion is credited by other variables which are hidden in the regression model.

Table 4.2 revealed that the calculated t-value is statistically significant at $\alpha < .001$ indicating that staff training & development (STD) practice of HRM has significant impact and influence on project success (PS) in construction firms. The coefficient R-value = .289 illustrates a positive significant association between variables. The coefficient of determination R²-value = .083 indicates that 8.3% variance in project success may be contributed and intercepted through staff training & development factor. While the remaining percentage or proportion is credited by other variables which are hidden in the regression model.

Findings and discussion

The purpose of study was to investigate influential HRM factors affect on the success of project in in construction firms of district Lahore. The participants perceived average extent of performance appraisal was (3.42) indicated the influence and effect of performance evaluation on projects success is medium in the construction firms of district Lahore. This finding matches with the study (Kotey and Slade, 2005). It indicates that the firms have fair appraisal performance system to hold the staff dedication and to support success of project. Furthermore, the perceived average magnitude of staff job satisfaction was (3.40) indicated the outcome and effect on projects success is medium in the construction firms of district Lahore. This finding relates with the study (Cardon & Stevens, 2004). It specifies that the firms have satisfactory staff job satisfaction system to arrange the staff satisfaction and to support success of project. Moreover, the perceived average degree of rewards & compensation was (3.35) indicated the impact and effect on projects success is medium in the construction firms of district Lahore. This finding relates with the finding of

(Heneman et al., 2000). It shows the firms have competitive rewards, and compensation system to attract the staff commitment and enthusiasm and to support success of project.

Conclusion

This research paper aim to determine the influence and effect of HRM practices on success of project in construction firms of district Lahore, Punjab-Pakistan. The result revealed that there is significant effect of HRM practices on projects success in construction companies. These factors support to construction organizations for success of project through HRM factors including effective performance appraisal, staff job satisfaction and competitive rewards and compensation.

Recommendations and suggestions

Based on results, the management and administration may be focused on effective HRM system which is foundation of project success and business success. Furthermore, it is also recommended that the computerized HRM information system may be introduced in construction industries for quick and rapid reporting and decision making.

Limitation and future research directions

In this study only 130 construction firms included registered with Pakistan Engineering Council (PEC). This research conducted on construction firms in district Lahore of central-Punjab, Pakistan. The findings of this research cannot be generalized of all firms of province Punjab, because of different factors. Furthermore, in current research, only five HRM practices have been focused using regression analyses, but in future we will add more independent variables and mediation variables and large sample size and other large cities of Central Punjab-Pakistan.

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