

# Review On Strategic Human Resource Management In Construction Companies

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**Abstract** - The Human Resource Management functions today is anxious with much more than, housekeeping, record keeping, and simple filling. Implementation of HRM strategies in an organization plays vital role in performing organizational operation and its growth. Organizational effectiveness or ineffectiveness will be explained by such parameters as the return on investment, absenteeism, employee happiness, training effectiveness, income, legal compliance, and performance. Throughout the world, a lot of top management manpower recognizes that human resource deserves attention because they are a remarkable factor in top administration strategic decision that pilots the organization's future operations. There are 3 pivotal elements required for an organization to operate successfully, Human Resource Management, Mission and strategy and Organizational structure. Construction is most labor-intensive industry; it includes many overseas labor, architects, surveyors, engineers, skilled foreman, and supervisors. Most of the construction effort is on a project basis. Hence, productive human resource management is very pivotal to guide a construction project towards success.

**Key Words:** HRM, Organizational structure, Activities of HRM, Success factor of HRM, SHRM etc.

## INTRODUCTION

Human resource management difficulty is very common for construction industry competitor in all over the world. Shortage of labors, a skilled technician, high turnover rate, layoff or skilled technicians is those ordinary problem faced by the construction industry main competitor. For occurrence, most of the contractor found it is rigid to recruit the skillful technical workers. Most of the consultant firm find it is hard to employ a design engineer and most of the developer's firm find it is hard to employ an experienced project manager. All these human resource management problems are very influential to project success, as getting the right people for

the right job is very essential in the construction project. Therefore, this paper is conducted to study the role of Human Resource Management (HRM) towards project success. The three main areas were being studied in this research (1) The important activities of SHRM in construction project success (2) The major SHRM challenges (3) The critical success factor of SHRM.

## WHY SHRM?

The drastic changes in technology, the growth of organizations, the rise of unions, and government concern and intervention concerning working people resulted in the establishment of personnel departments around the 1920s. Since then, more and more organizations seemed to take note of and do something to resolve the conflict between employees and management. Scientific management and welfare work represent two concurrent approaches that began in the 19th century and along with industrial psychology, merged during the era of the world wars. Scientific management represented an effort to deal with inefficiencies in labor and management primarily through work methods, time and motion study and specialization. Industrial psychology represented the application of psychological principles towards increasing the ability of workers to perform efficiently and effectively.

The contributions HRM makes to organizational effectiveness include the following:

1. Assisting the organization to reach its goal
2. Employing the skills and abilities of the workforce efficiently
3. Providing the organization with well-trained and well-motivated employees
4. Increasing to the fullest the employee's job satisfaction and self-actualization.

5. Developing and maintaining a quality of work life that makes employment in the organization desirable.
6. Communicating HRM policies to all employees
7. Helping to maintain ethical policies and socially responsible behavior.
8. Managing change to the mutual advantage of individuals, groups, the enterprise and the public.

**WHAT IS HRM AND SHRM?**

The term HRM expands to Human Resource Management; it implies the implementation of management principles for managing the workforce of an organization. It is concerned with the process of hiring, developing and retaining the manpower, with a view to making them more efficient. When conventional HRM is compared and contrasted with the HRM or SHRM, it becomes easier to understand. Human Resource Management or HRM is simply the process of managing human resources, in a systematic way. It is a practice devised to maximize the performance of employees, i.e. to make them more efficient and productive. It is concerned with the application of principles of management to manage organization personnel while paying attention to the policies and systems of the entity. It entails the best possible use of limited skilled workforce of the organization.

SHRM is the process of aligning the business strategy with the company’s human resource practices, so as to attain strategic goals of an organization. In SHRM, the workforce of the company is managed proactively. Strategic Human Resource Management, shortly known as SHRM is a function of management which entails development of policies, programmers and practices related to human resources, which are then aligned with business strategy, so as to achieve strategic objectives of the organization. Its primary purpose is to improve the performance of the business and maintain a culture that encourages innovation and works continuously to gain competitive advantage.

**Table -1:** Shows difference between HRM and SHRM

Basis	HRM	SHRM
Nature	Reactive	Proactive
Responsibility lies with	Staff specialist	Line manager
Approach	Fragmented	Integrated
Scope	Concerned with employee	Concerned with internal and

	relations	external relations
Time horizon	Short term	Long term
Basic factor	Capital and products	People and knowledge
Change	Follows change	Initiates change
Accountability	Cost center	Investment center
Control	Stringent control over employees	It exhibits leniency.

**FRAMEWORK OF SHRM**

Basically, there are two types of methodology which will go to apply the project: (1) Applied research and (2) Basic research. Applied research is a research that was performed with the intention of solving a problem that was currently existed, whereas basic research is performed to enhance the understanding of a certain problem that existed. This research is a basic research, because it seeks to further understanding the Role of human resource management in project success.

**Theoretical Framework**

The research begins by studying common human resource management and its relationship with construction projects success. Further on, the context of impact of human resource management towards project success will be focused.

**Research Design**

The research is established to study the role of human resource management towards construction projects success. Firstly, the important activities of human resource management were identified. Secondly, the challenges to implement human resource management were identified. Lastly, the critical success factors of human resource management were identified.

**IMPORTANT ACTIVITIES OF SHRM**

HR managers have to be able to identify and document project roles and responsibilities, and develop a plan describing the end-to-end processes that will be required on a project in order to determine its human resource requirements.

SHRM typically involves the following core activities:

1. Role analysis.
2. Role specification.
3. Workforce planning.
4. Recruitment and selection of temporary and permanent staff as required.
5. Training and development.
6. Performance management.
7. Compensation (remuneration).
8. Legal issues.
9. Managing employee payroll, benefits and compensation.
10. Communicating with employees.
11. Resolving disputes.
12. Evaluating performance.
13. Managing employee relations.
14. Ensuring equal opportunities.
15. Making sure staff facilities are suitable and well-maintained.
16. Wage and salary administration
17. Performance appraisal
18. Employee information/skill management
19. Exit interviews and process
20. Timesheet management
21. Overtime management
22. Pay slip management

### **CHALLENGES TO IMPLEMENT HUMAN RESOURCE MANAGEMENT**

The below mentioned HR challenges are something that the HR community in India really needs to sort out.

#### **Managing Globalization**

It is important that HR personnel learn proper people management practices before planning to implement them, especially the ones that are global in nature. These days it has become quite challenging for the HR to educate its workforce on how globalization can be leveraged and how a single employee benefits or is affected by it. Instead of imposing new practices upon them, it is best to study the prevailing practices which are in place.

#### **Retaining Talent, Especially Millennial**

Retaining is probably one of the most significant HR challenges that the domain will have to deal with in future and retaining millennial is the most Herculean task for present day HR. Talent poaching and cut-throat competition has given an

impetus of high remuneration to the deserving candidate. Job seekers have gained lot of exposure and have become highly ambitious as well. Which is why they are always on a lookout for better opportunities?

#### **Developing Leadership Skills**

Developing future leaders is essentially a difficult task. It is not just about developing right soft skills in order to shape future leaders. Since the global economic scenario is very volatile, and dynamic, what is required now is a skill set in the workforce that distinguishes them as future leaders. Developing future leaders is a major HR challenge that needs to be addressed in the future.

#### **Managing Organizational Change**

Change management is yet another challenge that the HR continues to face in the 21<sup>st</sup> century. With big organizations integrating Six Sigma practices in their businesses, dealing with change management is becoming even difficult with each passing day. The industrial growth scenario is such that, there is a huge demand for 'change' that has to be brought about within all the fragments of the society. However, there's resistance from various sides. It is a huge challenge for the HR to curb those resisting forces and finally implement new organizational changes.

#### **Developing Work Ethics**

With the global economy undergoing ups and downs, India also has to bear the brunt of the same somewhat if not to a great extent. Employee morals and loyalty are being tested almost every day. In such trying times, it is becoming rather difficult for the HR management to ensure proper development of work ethics. Re-instilling values like empathy, work-ethics, respect for the weak and elderly are becoming a matter of concern for all even HR personnel within organizations.

#### **Developing And Nurturing Accountability**

Since the invention of Six Sigma methodologies, the tolerance levels in organizations for errors and major mistakes have gone down considerably. It is a challenge which HR management in India is facing like its global counterparts. It is not easy to train people to shoulder responsibility.

#### **Managing Workforce Stress And Employment Relations**

HR management is the face of an organization. They not only hire people but also ensure that they nurture employees, so

that latter chooses to remain with an organization for a longer period of time. If the HR management is not empathetic towards its workforce then, it does not help in employee relations. This fact is fast becoming a challenge for all HR communities in India in the present times.

**Managing Workforce Diversity**

With globalization and India’s economy witnessing an accelerated growth, organizations are now forced to depend on hiring people from all kinds of backgrounds, ethnicities and even countries. It is needless to say that this has led to a completely new dimension to workplace diversity. Managing a diverse workforce is truly a demanding task for HRM in India in the present times.

**CRITICAL SUCCESS FACTORS OF SHRM**

From a Project Management perspective, critical success factors (CSFs) are characteristics, conditions, or variables that can have a significant impact on the success of the project when properly sustained, maintained, or managed. There is a very close link between the type and scope of projects and respective Critical Success Factors (CSF).

**Project Mission**

Initial clearly defined goals and general directions. The Preparation of a detailed project scope statement is critical to project success.

**Top Management Support**

Willingness of top management to provide the necessary resources and authority/ power causes project success. The flexible and adequate access to organizational resources is considered as a core precondition for effectively executing the project activities. This can hardly be available without definite and timely reaction and support from the top management of the project-executing organization.

**Competence Of Project Manager**

The competence of project manager has been identified as the most important factor for the successful realization of their project. The technical and administrative skills of the project manager, as well as his/her commitment and competence, become the most critical component during the project life cycle.

**Project Schedule/Plan**

A detailed specification of the individual action steps required for project implementation.

**Client Consultation**

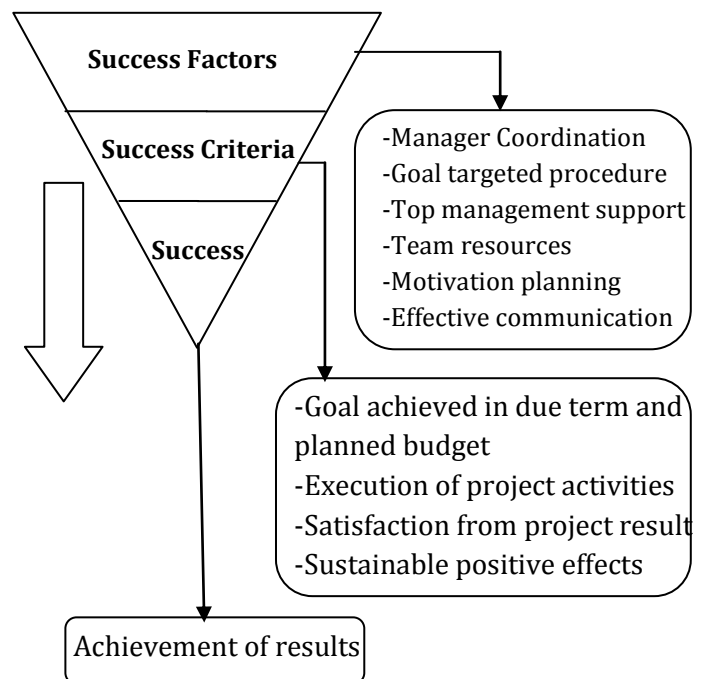
Communication, consultation, and active listening to all impacted parties.

**Competence Of Project Team Members**

Recruitment, selection and training of the necessary personnel for the project team is required. The knowledge, skills, personal aims, and personal traits should be considered not only as a vital component of the overall organizational culture but also as an essential factor of the integrity and multi-functionality of the project team.

**Technical Tasks**

Availability of the required technology and expertise to accomplish the specific technical action steps is necessary.



**Fig.-1:** Conceptual model of critical success factors and project success.

**Quality of Suppliers and Subcontractors**

In the contemporary world, it is rarely possible for one and the same organization to have capabilities and competencies in

every aspect of the work required. Competence of project partnership is vital for success of project.

#### **Client Acceptance**

The act of "selling" the final project to its ultimate intended users.

#### **Monitoring And Feedback**

Timely provision of comprehensive control information at each stage in the implementation process.

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### **CONCLUSION**

The first step in the process of moving to a strategic management perspective is to determine where current strengths exist, where gaps exist, and where the priorities will be set to build upon these answers. An organization should not be discouraged if it finds one or more areas have significant gaps at the present time. Every organization has room to improve. The difference between the organization that is destined to succeed and the one that is destined to ride the waves of the marketplaces the desire to fill these gaps. At the same time, the organization needs to be realistic about its efforts to fill these gaps. In some instances, significant investment is required to move forward toward strategic objectives. In these instances, the organization must set priorities and balance available resources. Similar to the balancing of resources on a project, the balancing of resources at an organization level is required to keep organization on a continued path of advancement. Rather than advancing an individual area, leaders must retain an overall perspective acknowledging that each of the seven strategic management areas are equally important to achieving a long-term vision. Specifically, implementation cannot be undertaken without a focus on where the actions are ultimately intended to lead. Similarly, strategic goals must be evaluated on a regular basis and with the same rigor as applied to project objectives.

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