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Strategic Human Resources Management in the Construction Firms in the Oke-Ogun Area, Oyo State, Nigeria

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Abstract

The study assessed strategic human resources management in construction firms in the Oke-Ogun area of Oyo State with a view to improving employees' performance and productivity in the construction firms. The specific objectives are to identify the strategic human resources management (SHRM) practices in the construction firms and the effects such is having on construction firms. The study adopted both qualitative and quantitative techniques with the managers (Site and Project managers) and Human Resources Personnel as the study population. They were used as the study population because they are responsible to the employees. A total of one hundred questionnaires were distributed and eighty three were duly filled and returned for analysis. The study revealed that, despite the efforts of the management to improve on human resources management, there are still some challenges affecting the effectiveness. The study now recommends that, despite all odds, human resources management should be given adequate attention.

Keywords: Strategic, Construction, Human Resources, Organization, Firms, Management

Introduction

The growing demand for the products of construction industry has given rise to effective management and exploitation of all the available resources as a means of achieving competitive advantage. Sampras (2020) categorized the resources as physical capital resources (the plant, equipment, and finances), organizational capital resources (the organization's structure, planning, HR systems, history, and organizational culture) and human capital resources (the skills, knowledge, judgment, and intelligence of the organization's employees).

Eneh and Awara (2016) opined that, human beings, more than any other resources, determine the success or failure of their organizations. Duke and Udono (2012), and Eneh and Awara (2016) added that, in any private or public project, profit or non-profit establishment, it is people that set the agenda, objectives and strategies; they create, design, produce and deliver the goods and services and control their quality; they procure, allocate and distribute financial resources, as well as market and sell the end products or services of the organization. They are also responsible for each and every decision taken, each and every work done and every result (Naukrihub, 2009; Eneh & Awara, 2016). Khan (2010) added that, human resource is recognized to be a strategic tool, which is essential to the profitability and sustainability of any organization. It is increasingly apparent that, one of the keys to successful organizational performance is the people within organizations, and management systems that develop their talent and capabilities (Suthiphan, 2010). This management of people in any organization is called human resources management (HRM). Human resource management practices are organizational tools that can be used to attract and retain the best brain in order to achieve organization's objectives.

In construction industry, due to the nature of the inherent activities and the participants like clients, designers, contractors, consultants, different construction professionals etc. There is need to implement strategic human resources management (SHRM) practices in order to improve the workers' performance and promote their values. This is necessary because, human resources management has a significant influence in the construction company suggesting that managers still need to pay more attention to people management even with the rapid, advanced construction technologies and management techniques of the project.

(Abhishek & Aditya 2017). Therefore, the project managers are to study the characteristics of the project in order to establish the applicable strategy for successful project accomplishment. (Jianjian, Chunlu, & David, 2007).

Statement of the Research Problem

The world today is dynamic and knowledge increases. Because of the dynamic nature of the world we are, knowledgeable people are required to do things in every sector of the economy. The construction industry is one of the sub-sectors of economy of the country, and largely contributes to the economy of the country, (Abhishek and Aditya, 2017).

Increase in demand for the product of construction industry calls for the potentiality of the resources, especially human resources. One reason for this is that, technology is a tool and should not be considered as a substitute of human application (Abuhanttash, 2018). Brandenburg, Carl, and keith, (2006) explained that, studies have been carried out on the relationship between strategic human resources management (SHRM) and the performance of a firm extensively in HR journals and literatures like Darwish (2012) which is limited to Jordan, which makes it difficut to generalise with Oke-Ogun Area of Oyo state. Tutar, Altimoz and Cakiroglu (2014) established that, there is disparity and differences in beliefs, behaviours, attitude and managerial skills from one country, town, city, race, belief and so on to the other; and that, cultural environment is the most important factor in business operation. Therefore this study stands as a response to Babalola, Aigbavboay and Fatai (2022) that, there should be holistic study on human resources management.

Aim and Objectives of the Study

The general objective of this study is to assess the Strategic Human resources management in the construction industry in the Oke-Ogun area, Oyo State, Nigeria with a view to improving human resources management towards employees' satisfaction and thereby enhancing the construction firms in achieving their set goals and competitive advantage in the construction firms in the the Oke-Ogun area, Oyo State, Nigeria. The specific objectives of this study are to;

i. assess the strategic human resources management (SHRM) techniques in use in the construction firms in the Oke-Ogun area, Oyo State,Nigeria and

ii. assess the effect of strategic human resources management (SHRM) on workers in the construction firms in the study area.

Literature Review

Concept of Strategic Human Resources Management

SHRM is not a completely new and revolutionary field; rather, its roots can be traced back to the mid – 1950s when there was a realization that, in ever changing business backdrop to attain business goals, HRM has to be more proactive and dynamic (Jain, 2005; Sajeevanie, 2015). the word strategy is derived from the ancient Greek word `strategia' (Nicola, 2007),. Accordingly, Avgitidou (2021) stressed that, strategic human resources management is an aspect of human resources management; it is derived from combining strategy with human resoures. This, in relation to Sampras (2020) and Hendry and Pettigrew (1986), established that, human resources management focuses on policies and practices regarding recruiting, learning and development, performance management, reward and employee relations; while strategic human resources management includes strategy, integration and implementation of policies, practices of human resources management to accomplish organizational effectiveness. Strategy articulates policies that position an organization within its external environment as it responds to customers; fights for competitive advantage; and coordinates operational systems and activities which acquire, allocate, and develop resources in the quest for excellence.

Strategic human resource management (SHRM) is one of the most important aspects of human resources management practices that facilitates implementation of effective human resources (HR) policies to meet the requirements of employees, while proceeding ahead to accomplish the organizational goals (Mathis & Jackson, 2008). Strategic human resources management adopts a system view to examine the effects of a bundle of human resources practices which differentiates strategic human resources management from more traditional functional views of human resources management. A major problem is identifying what differentiates strategic human resources management (SHRM) from human resources management (Hendry & Pettigrew, 1986; Karami & Analoui, 1999). One of the main differences between strategic human resource management and traditional conceptions of human resource management is the degree to which human resources management (HRM) is incorporated with the strategic decision-making processes that have a tendency to

direct organizational efforts to deal with the environment (Guest, 2009). Globalization, increased competition, and continuous change in technology and market are the main reasons for the change of human resource management.

Theoretical Review

Competency Model

Society for Human Resources Management (2012) put that, competencies are individual's characteristics, including knowledge, skills, abilities, self-image, traits, mindsets, feelings, and ways of thinking, which, when used with the appropriate roles to achieve a desired result. Competencies contribute to individual exemplary performance that creates reasonable impact on business outcomes. SHRM's Competency Model comprises nine primary competencies; human resource expertise, relationship management, consultation, leadership and navigation, communication, global and cultural effectiveness, ethical practice, critical evaluation and business acumen.

Fig. 1. Competency Model (Adapted from Society for Human Resource Management, 2012)

Conceptual Framework

Fig. 2 Conceptual Framework (Adapted from Phanwattana &U-on 2017)

Methodology

The study adopted both qualitative and quantitative techniques. The respondents for the study were the managers in their respective construction firms who are responsible for the personnel management in their respective organization. The data collected was analyzed and presented.

Analysis of Result

A total of 100 questionnaires were distributed to construction professionals and 87 were retrieved back which is 72.5% and 27.5% respectively. The total questionnaires percentage returned were sufficient for the analysis.

Organization of the Respondents

The respondents working with or operating private organizations had the highest number of response with 64.4% while those working with the public (federal, state and local) are 35.6%. This may be due to the fact that private organizations are more than the public and co-operate establishments in the study area.

Academic Qualification of Respondent

Majority of respondents were B.Sc with 41.4%, while HND have 24.1% , M.Sc have 12.6%, PGD have 4.6% and others with qualifications not itemized have 17.2%. This shows that the respondents were highly educated, competent and qualified to answer the questionnaires as they have adequate understanding of what the study is all about.

Work experience of respondents

20.7% of respondents have 1 to 5 years, 39.1%, 6 to 10 years, 27.6%; 11 to 20 years and the rest have more than 20 years of building and civil engineering construction related working experience. The respondents have reasonable working experience, which shows that they were capable of answering the questions.

Strategic Human Resources Management Practices in Construction Firms

Strategic human resources planning was ranked 1st with a mean value of 4.33. Recruitment and selection was rated second with a mean score of 3.94. This is in line with Mansour (2015) that there is relationship between organizations' success and recruitment which means that the organizations are using a good selectivity in the hiring process ensure getting the right skilled and qualified people for the right job. Training and development, which supports Way (2002) cited in Darwish (2012) that training and development can provide and develop employees' skills, abilities and behaviours, and accordingly motivate them to apply such skills and behaviours in their work-related activities; in turn, this may improve output and increase organisational effectiveness and performance compensation and reward and motivation were rated third, fourth and fifth, with mean scores of 3.80, 3.77 and 3.75 respectively.

Effects of Strategic Human Resources Management Practices

With the results of both qualitative and quantitative methods for this study, it was revealed that there is a significant impact of strategic human resources management

on construction firms in the study area in the context of relevance of employees to the goals of the organsations, increase in productivity, good customer relations, reduction in operation costs, adaptability to environmental changes, linkage to the vision and mission of the organization and competitiveness.

Findings

The study found that, despite the strategic management of human resources and its impact on the construction firms in the study area, there are still some challenges confronting the effectiveness of the practice such as finance, change in management, choice of incentive, improper analysis of performance, mobility of labour, staffing (retention), leadership development and education and training.

Conclusion and Recommendation

The study found that people represent the most difficult resource for organizations to manage. Unlike physical assets, people have their own individual needs which must be met and ideologies which must be managed if they are to contribute to organizational growth and development. Although, strategic human resources management practices have effect on the performance of the construction personnel, yet there are still some challenges being faced by the strategic human resources managers which vary from one firm to the other. The study now recommends that, strategic human resources management practices should be given more priority in the organization if they desire a better performance from their personnel. The management, having seen human resource exercise as a vital aspect in organization, should be encouraged to finance it, seeing that, the organization makes use of highly trained personnel, lack of funds as a problem should not be allowed to hinder effective implementation of personnel training and development.

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