Organizational Human Resources Integration in Project Management

Prof Dimitrios P. Kamsaris
Bilston Community College, UK

Stefanos Kougoulos
Lecturer, Project Management
Bilston Community College, UK

Dr Ahmed El Ghanamy
Trainer, Project Management
Bilston Community College, UK

1. Introduction

The objective of this paper is to present a topic on Organizational Human Resources Integration in Project Management. The research objective is to attempt to identify the way in which mergers affect the effective delivery of construction projects.

Companies must staff their operations by employing people into the business and ensuring they add value to the enterprise. Human resource management is effective counterpart of the capabilities of employees with the needs of the firm which is the answer element process for growth.

Human resource management is an operation between hiring trained people for the firm's needs and training and developing them to meet the firm's needs. So, human resource management is a very crucial concept as it assists the company to compete successfully in the market. In the new economic environment that has emerged as an impact of the recent ‘crisis’, the complexity of each industry forms a demanding context that affects consistently both the internal and external environment of organizations. As a result, the firms need to maintain their competitive advantage.

However, a firm has to constantly increase the value of their products offered to clients in order to sustain their competitive advantage (Barney, 2008), as well as being profitable in order to exist (Kaka and Brown, 1998). All companies are affected by the external environment such as the market, client, etc. and the internal environment including the employees of the firm, contractors, sub-contractors, suppliers etc. (Kelly and Bowles, 2006).

The key research question is to investigate what are the roles of the human resources management assumes within an organization.

The purpose of the study is practical and will be conducted in order to examine the factors affecting the organization’s survival. In the second chapter of the study which is concerned with the literature review a bibliography research including books and up to day journals, will be carried out in which definitions and theories of human resources
management and human resources management strategy. The third chapter of the study will investigate the methodology to present the firm. A case study will be investigated through this company. In the conclusion, the results that will be produced from the research and bibliography search will be developing. Afterwards, a list of references is indicated, including all books, up to date science papers and websites that were used in this assignment.

2. Literature review

2.1. Project Management

According to Kougoulos (2009), the factors affecting construction productivity, categorized into two main groups: technological and administrative factors. Moreover, stated that the construction productivity affected by labor characteristics factors, project work condition factors and non-productive activities. In addition, factors affecting construction productivity cannot be constant and vary from country to country and from project to project. In conclusion, factors’ categorization in external and internal factors is affecting construction productivity (Enshassi, 2007).

2.2 The corporate management

Human Resource Management has a crucial role in companies because it connects all parts and in order to be effective it requires know how to associate managers with the employees. Human resource strategy is the general idea of a company and the policies it assumes, such as retention, staffing, performance and compensation (Peck, 2007). The chosen policies have a main task in the company’s performance (Gomez-Mejia, 1988) and serves as a source of competitive advantage (Michie & Sheehan, 2005), but HR models in international companies are different (Morley & Collings, 2004). The theoretical base of Human resource management combines multidisciplinary and interdisciplinary elements (Poole, 1990).

Human resource management at the same time engages the management decisions and actions that affect the relationship between the company and the employees (Beer et al., 1984) and it contains the growth of all parts of the company and sustains the management actions towards the employees (Beer et al., 1984).

Shen (2005) explains that human resource management is a set of different activities, functions and processes that are directed at attracting, developing and maintaining the human resources of a company. The human resource management covers all concepts, strategies, policies and practices used in order to manage and develop the people (Rudman, 2002).

There is the view that Human resource management professionals suffer from a "lack of vision" when it comes to the big picture of the company (Leonard, 1998). Human resource management is restricted the micro environment the company as narrowly-minded. The majority of the specialized personnel in Human resource management see their function as split unit not involved in finding business solutions (Caudron, 2002).
Also, Human resource management planning is used as a way of persuasive the management to allocate adequate resources for Human resource management and not to develop the performance process (Lam and Schaubroeck, 1998). Even the best Human resource management planning processes are ineffective unless it is agreed with the company's general planning process (David, 2005).

Human resource management should develop wider understanding of the company’s route and how to support in that direction (Leonard, 1998). Human resource management needs to focus on recruitment alignment, selection, compensation, discipline, training, reward and recognition processes, and leadership development with the strategy and goals of the overall organization.

2.3 Human resource management trends

What is described as ideal model of Human resource management does not mean that it is approved in the real market (Guest, 1991). The human resource function has a weak influence on other managerial functions such as finance, marketing (Kochan and Dyer). Human resource management is about how people are treated. There must be conformity in the company on the route for growth, and concern for employees, are very important (Goold and Campbell, 1986).

Human resource management has been developed from a focus on employee interests to managing them to achieve the highest productivity, through methods that provide the employee with both intrinsic and extrinsic rewards (Derek, 1991). Therefore the human resource management function is accepted as central because its activities are integrated into line management becoming worth investing in, and training and development. Accordingly, communication of managerial objectives and aspirations becomes very important (Storey, 1991).

Human resource management emphasizes in strategy and planning rather than problem-solving and mediation, so that employee cooperation is delivered by programs of corporate culture, remuneration packaging, team building and management development for employees (Derek 1991).

Human resource management strategies are affected by the decisions taken on strategy and by the structure of the enterprise (Purcell, 1991). In a company with effective Human resource management policies and practices, the decisions on Human resource management are also strategic decisions influenced by strategy and structure, and by external factors such as labor market situation.

There are hard and soft types of Human resource management, where the hard focus on the quantitative aspects of managing the resource in a coherent way and the soft focus on communication, motivation, and leadership (Storey, 1991).

There are several ways in which Human resource management has changed past approaches of personnel management about managing people (Bert and B. Spector, 1985). The new model of Human resource management includes many elements...
essential to the crucial management goal of achieving and maintaining competitiveness.

Initially, Human resource management dealt with problems as they arise while effective Human resource management searches to connect Human resource management issues to the general strategy of the company.

Companies with effective Human resource management policies look for integrating these in corporate strategies and to strengthen the organization's culture. Integrates the Human resource management issues into the strategic plans and secures the approval of a Human resource management view in the decisions of line managers. The Human resource management policies should be internally consistent. They must also be consistent with the business strategies and should reflect the organization's core values (Baird and Meshoulam, 1988). The problem of integrating Human resource management with business strategy (Miles and Snow, 1984) arises in a diversified company with different products and markets when, there is the difficulty of matching Human resource management policies with strategies which could vary among different business activities, each of which may call for different Human resource management policies. In that case hard type appears more relevant than the soft type of human resource management. The harmonization of Human resource management NT policies to business strategy demands for decreasing labor costs, not just by increasing the employees' commitment, functional flexibility, and quality (Legge, 1991).

This opposition is resolved by developing people where the business is successful. Another thing is when there is a change business strategy through greater employee involvement, commitment and training.

In order to support goals a cultures should be developed because the target is the employees through a shared set of values that is recognized by employee and employer interests (Legge, 1991). But, there is pressure between a strong culture and the need to adjust to new circumstances and be flexible. Quick market changes are difficult for strong culture companies, as IBM where, attitudes about products made it rigid when the market required a fresh view from mainframe customized systems, to personal computers, standardized, with low cost (Legge, 1991).

The view that employees are variable cost is was, replaced by the view that they are a resource and that as social capital can be developed and contribute to competitive advantage, by an educated, trained, motivated and committed employees (Keep, 1991).

The policies and practices designed to realize the hidden potential of the employees becomes a test of an company’s direction (Storey, 1991).

Top-down communication and controlled information flow to keep power by the management is altered to a sharing of information, facilitating the creation of commitment and flexibility for the company to change (Goold and Campbell, 1993). In companies in nonstop technological change environment, change management need employee support through communication and involvement. Technical and capital is
matched by human resource investments, at times reaching near the ideals of human resource management (Purcell, 1995).

If companies are dominated by financial issues, Human resource management will not be a part of the central strategy (Armstrong, 1992).

The first goal of Human resource management is integration, in many cases, human resource planning is not an integral part of strategic planning, but rather flows from it, (Guest, 1987) so that giving effect to strategic plans becomes more difficult.

The second goal is commitment, e.g. attitudinal, behavioural (Guest, 1991). The theoretical suggestion is that organizational commitment, combined with job related behavioural commitment will result in high employee satisfaction, high performance, longer tenure and willingness to accept change (Guest, 1991).

The third goal is flexibility and adaptability, which means the ability to manage change and innovation and to respond rapidly to market demands and changes, requiring Human resource management policy which is favorable to change, a non bureaucratic structure, if employees show high organizational commitment, high trust and high levels of intrinsic motivation (Guest, 1991).

Companies may eliminate certain working positions or redesign jobs (Spitulnik, 2006). Human resource management plays a significant role in helping organizations gain and sustain a competitive advantage by enhancing the performance of the labor force. To achieve higher performance, the employees must develop their skills, be empowered to take decisions and participate in teamwork (Noe, Hollenbeck, Gerhert and Wright, 2003).

The technological changes and the internet, also play a significant role in the development of new methods in managing human resources (Noe et al., 2003). The human resource information system (HRIS) that the Human resource management professionals use to obtain, store, manipulate, analyze, retrieve and distribute information related to an organization’s human resources is an example of technological change. E-businesses can also contribute to identifying and hiring talented employees. As a result, the work of the human resource management departments is affected by the information technology. The use of technology assists management in mechanizing and automating a substantial part of the job related to managing employee records. Also, the employees can have access to information such as enrollment forms for training, benefits, and other programs (Noe et al., 2006).

Employee frustration is one of the challenges with which executives, managers and Human resource management professionals need to face. Some of the biggest challenges that the management of organizations needs to deal with, are the issues of employee turnover, mismatched employment and employee absenteeism (Forde and Slater, 2006). These human resource management challenges cost companies’ time and money, lots of opportunities, waste of resources and reduced productivity. The modern business environment requires building and retaining a loyal and motivated labor force. Therefore, for human resource management in the construction industry,
the challenge is to select and retain qualified employees. Employees now tend to change jobs and careers very easily and often, raising the employees’ turnover which is costly for organizations (Chiavenato, 2001).

Also, the management of human resources needs to consider the challenge of selecting experienced employees for jobs for which the employee is destined to fail. This mismatched employment is one of the most important factors that affects a company’s success and causes risks to the company. Issues related to mismatched employment, are employees’ responses to problems, to people, to the pace of work and to the organizational procedures (Chiavenato, 2001). As a result, mismatches create stress and conflict among employees.

Another challenge that human resource management needs to face is employee absenteeism. Only absences by managers account for the 7.1% of the payroll (Avey, Patera and West, 2006).

2.4. Rules, Policies, and Procedures

Human resource management rules, policies and procedures also play a fundamental role in organizations. These aspects help organizations to give solutions to personnel issues and to Human resource management problems. Thus, every organization needs to up-date its rules, HR policies and procedures for greater effectiveness and efficiency. Any grievances and lawsuits that may arise due to absence of rules, policies and procedures may cause:

1. Increased costs to the organization;
2. Increased employee turnover; and
3. Law personnel morale (Kinnie, Hutchinson and Purcell, 2005).

All the above mentioned problems can be avoided if organizations establish successful rules, policies and procedures together with up-to-date job descriptions. This will also ensure employee equal treatment and legal compliance.

Organizations need to document important processes necessary for managing organizational risks and promote continuous improvement. Organizations can manage risks with well-written procedures and prevent unexpected situations. Organizations can apply continuous improvement as one of the most fundamental aspects for developing an internal control system of policies and procedures (Kinnie, Hutchinson and Purcell, 2005).

Organizations develop HR policies for meeting their needs. These policies must be linked to the business strategy of the organization and be flexible to adapt to changes in corporate strategy. The organization’s policies must be associated with the following Human resource management functions and activities:

1. Recruitment and selection.
2. Training and development.
3. Performance appraisal.
5. Job security.

HR policies, rules and procedures, help organizations achieve employee fair compliance and protect the organizations against any law-suits from the employees. Very clearly the define they rights and the responsibilities of both the employees and the organization.

3. Conclusion

Human resource management is a field that will continue to develop based on the trends and challenges of the market. The trends and challenges in the labor force have created a distinctive role for the Human resource manager who must meet the needs of the changing organization. The Human resource management professionals need to understand the laws and regulations and to keep up with the current trends that affect the workforce and the business as a whole.

Changes in the workforce environment have forced Human resource management professionals to apply leadership skills for an effective management. Skills in planning, organizing, leading, controlling and knowledge of the emerging trends and challenges in employee training and development are the norm for the Human resource management managers. As a conclusion, organizations in order to achieve and maintain their competitive advantage in the market, must promote the concept of organizational change and continuous development regardless of the resistance to change that may arise.

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About the Authors

Dr. Dimitrios P. Kamsaris
Birmingham, UK

Dr. Dimitrios P. Kamsaris is a Professor of Management and Chairman of Bilston Community College in Birmingham UK. He has been acting as a Visiting Professor at numerous Business Schools in France, UK, Denmark, Cyprus, and Greece. Dr. Kamsaris has completed postdoctoral education at Harvard University. He held CEO and managerial positions in Coca-Cola, Sherwin Williams, Olympic Games, Shell and D Constructions. Today, he serves as a member of Board of Directors and management consultant. Furthermore, he trains public & private sector executives in the U.K, UAE, KSA, Qatar, Denmark, Cyprus and Greece. He has published in business and academic journals. e-mail: dkamsaris@yahoo.gr

To see other works by Dimitrios Kamsaris, visit his author showcase in the PM World Library at http://pmworldlibrary.net/authors/dr-dimitrios-p-kamsaris/

Stefanos Kougoulos
Birmingham, UK

Mr. Stefanos Kougoulos is a Lecturer and Researcher in Project Management at Bilston Community College in the UK. He has extensive experience as a procurement engineer. His main responsibility is within the purchasing and investment department of the major oil seeds processing industry and maritime company in Greece, since 2006. In the past, he has collaborated with technical naval bureau as a surveyor and drawing engineer. Mr. Stefanos Kougkoulos holds a Master of Science degree in Construction Project Management from Heriot Watt University, as well as a Bachelor degree in Mechanical Engineering. During his postgraduate thesis he conducted a research on the way the Project Success Factors Affect the Residential Construction Projects in Greece. e-mail: skougoulos@yahoo.com

To see other works by Stefanos Kougoulos, visit his author showcase in the PM World Library at http://pmworldlibrary.net/authors/stefanos-kougoulos/.
Dr. Ahmed El Ghanamy is a Trainer of Management at Bilston Community College in the UK. Dr. El Ghanamy has an extensive professional experience of more than thirty years in the petroleum industry. More specifically at the moment he holds the position of Financial General Manager Petroleum Marine Services Company (PMS) in Cairo, Egypt. Prior to that position he worked as a Head for Khalda Petroleum Company (KPC) in Egypt. Furthermore, he trains public & private sector executives in U.K, UAE, KSA, Qatar, and Egypt. Email: ghanamy@yahoo.com