

Correlation of Human Resource Management & Project Management

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Abstract-In this paper we examine the correlation of HRM and project management. There are numerous factors which affects HRM which further causes consequences for project management. Especially the factors of communication, equal employment opportunities, health along with safety and quality of life highlight key concerns for HRM practices in project oriented firms. For ensuring that efficient project management occurs a project manager should consider the implications of the factors. We also examine that how the factors of HRM are affecting project management by comparing Asian countries. The pattern and trends exhibited in the report provides insights for the organizations to cater the factors of HRM as a priority and then view its impact on projects. In the study advantages and disadvantages are also reviewed which will assist project managers in HRM regarding their project management.

Key words-project management, Human resource practices, communication, employees' productivity and quality of life.

1. INTRODUCTION

For making a project successful, quality aspects of the project should be catered efficiently. Factors of human resource management support and provide a function for managing project activities. HRM and project management complement and facilitate business strategies.

1.2 Human Resource Management

HRM encompasses the overall broad activities regarding practices and policies which cover the human resource or people in an organization. The management aspect of human resource position includes: recruitment, screening, rewarding, training and appraising. [1] HRM enables organizations to facilitate the organization to improve behavior in different dimensions for instance attaining flexibility, staff commitment and competency. There are seven types of HRM practices which are immense training, employment security, high compensation depending on organizational performance, selective hiring, and reduction in status discrepancies, self-managed teams and sharing information. [2]

Business success is assured when the organization is efficient in handling the human capital to gain the potential and add it in the products as well as services which depict a market value. [3]

1.3 Project Management

Project management is the area of applying skills, knowledge, techniques and tools in the project activities in order to coincide with the project needs (requirements).

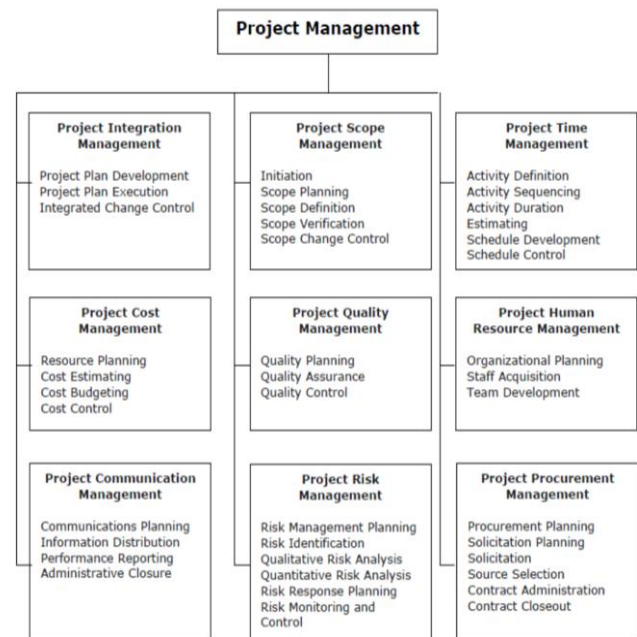


Figure 1: Project management knowledge areas

Source: N.M Chowdary, "Project Management Fundamentals", PMP project manager, ITC InfoTech India Ltd.

Five process groups exist in project management which includes initiating, planning, executing, monitoring & controlling and closing. Organizational strategy should be

source of direction and guidance to project management. Project managers work in collaboration with a project team and stakeholders. In order to be an effective project manager there is a requirement for balancing conceptual, ethical and interpersonal skills which will help in analyzing multiple situations and then on the basis of that interact appropriately. [4]

2. LITERATURE REVIEW

Quadruple constraints for a project's success include quality, scope, time and cost and HRM is considered to be the support functions for ensuring a project's success. The human resource's risk, communication and procurement are more effective support functions for project management. A project manager has to perform specific HR functions for example HR project management, team formatting and training. Deficiencies in properly handling the HR functions can cause hindrances in the project management. Therefore the project manager should monitor the quality of HR performance and should take necessary actions when required. The project managers can utilize 360 degree performance management for monitoring HR practices during the project phases. [5]

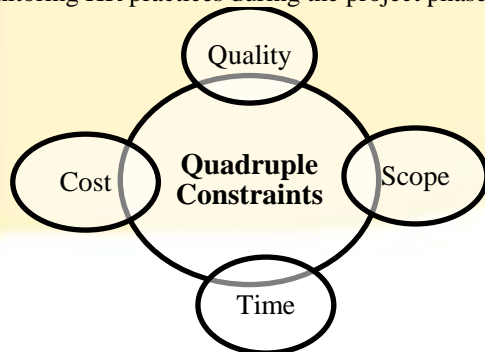


Figure 2: Quadruple Constraints influencing project success

The concept of HRM is the central process in the project oriented firms. The particular features of a project oriented firms poses serious challenges to the HRM practices. Project oriented firms have particular specifications regarding HRM. During the projects a lot of development of HR takes place. Different methods for HR development can be used for upgrading the skills and expertise of employees working on the project for instance on job training and feedback through effective communication can optimize the output of the project according to the project scope. [6] Strong skills related to project management can be established by achieving HR competencies that will support organizational goals. The most important competencies are: HR delivery, strategic contribution, HR technology and personal credibility. There are some simple HR project opportunities which include: setting up an HR department, establishing employee notes, implementing HR information system, outsourcing HR activities, facilitating organizational wide

culture change and training initiatives. Interpersonal skills of a project manager are a requisite as managing projects demands to get the work done through a combination of people. Individuals and teams should be motivated. [7] Project performance can be enhanced by monitoring team members' performance, resolving issues, providing recognition and feedback and coordinating changes. Human resource planning can be done in a project by determining project roles, reporting relationships and knowing the personnel responsibilities. HRM in project management includes planning, organizing, staffing and managing project teams. [8]

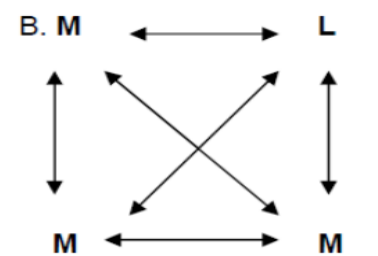


Figure 3: Communication in a project

Source: Tichapondwa S, "Successful Project Management Insights from Distance Education Practices, VUWSC, CC-BY-SA-NC, pp. 72-73, 2009.

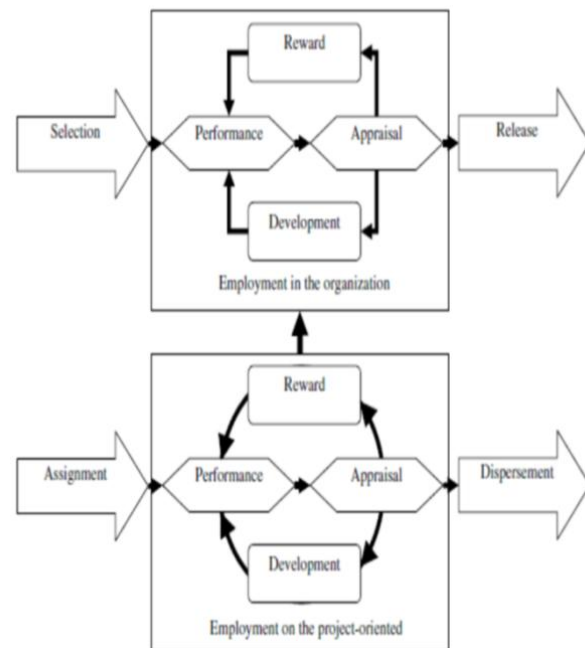


Figure 4: Employment in a project oriented firm

Source: Huemann M, "Human Resource Management In The Project-Oriented Company", International Journal of Project Management, ISSN 315-323, pp. 1-6, 2007

For projects to precede communication must continuously occur between the personnel involved. Problem solving can be rendered through communication. Various types of communication styles can be used by a project manager. In project management communication with the team is

compulsory because there is a need to complete several tasks. Also there should be a free flow of communication in the project management system which would facilitate smooth transition from project planning till initiations till project completion.[9] For ensuring efficient project management it is essential that HRM practices should be made sound and effective.

3. FACTORS INFLUENCING HUMAN RESOURCE MANAGEMENT AND PROJECT MANAGEMENT

There are multiple factors which influence HRM practices which in turn causes consequences on project management. Understanding of the implications is necessary for project manager so that the factors can be addressed for efficient project management. Although there are numerous factors resulting due to the tendency of globalization and contemporary issues taking place in HRM and project management. In this study attention would be retained to the following essential factors which are mostly influencing HRM and as a resultant project management is impacted both in the domestic and global context. [10]

3.1 Communication and equal employment opportunities

Communication is the most important factor that is not simple but it is complex in the HRM spectrum if not considered appropriately by the project manager. Message can be transmitted to the management and personnel through communication. A major chunk of problems faced by organizations exist due to a connection with HRM and efficient communication mechanism. Multiple types of cooperation between employees and groups appreciate communication in particular ways. Communication programs are encouraged so that it ensures that the project's scope is understood and what skills are required of HR to perform the project steps. [11]

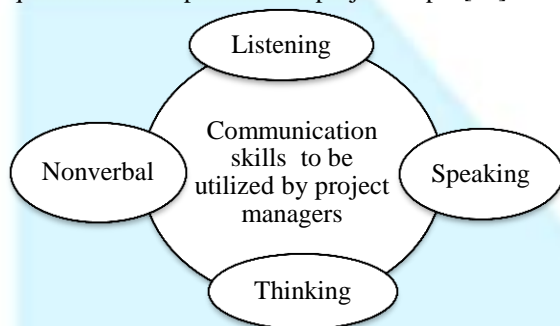


Figure 5: Communication Skills

Opportunities that gave a chance of two way communication can affect the HR perceptions of how fairly they are treated in the project phases. This reason makes many employers to take efficient steps for facilitating communication.

Discrimination in the organization cannot be tolerated by HR as it promotes inequalities. Equal employment opportunities support and respect the rights of HR. HRM should ensure that equal opportunity is stimulated in the workplace which will in turn boost up diversity, rights protection and increased morale of employees. The HRM practices should not discriminate on the basis of national origin, color, race, religion or sexes while the recruiting process. Reasonable accommodations should be rendered in the HRM practices to ensure EEO. [12]

3.2 Health and safety along with quality of life

Health and safety of HR is another important factor which influences HRM practices and every organization should have its health and safety program. Potential hazards in the workplace should be highlighted and remedies should be implemented. Most beneficial health and safety program can be developed by joint efforts of employer and employees. Necessary training, information and instructions should be provided to employees to avoid accidents while performing their duties. Accidents can cause hindrances and can delay project activities. [13] Work related injuries and sickness can also be prevented by developing safety culture in the organizations. Companies should maintain a record of health and safety. Every organization should have its health and safety program. [14]

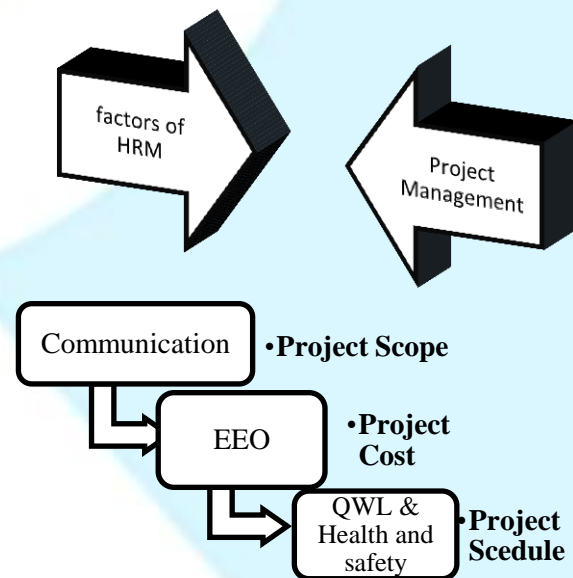


Figure 6: HRM and Project Management

Quality of life at work is another important factor which influences HRM and which further pose consequences on project management. Management of human resource is much important and this management requires emphasis on multiple dimensions. Quality of working life is a fundamental facet in human resource management. The quality of working life encompasses various angles for instance project related well-being and the experience of a workplace that is beneficial along with rewarding. The

quality of working life can be demonstrated into four main categories which are: appropriate working hours, healthy working environment, significant salary and care of occupational health. [15] It can be stated that health and safety has a deep impact on the quality of working life of HR in project management. If the company provides a better workplace then it will boost up human resource productivity and it will have a positive impact on the projects at hand. Similarly employing increased mechanisms of health and safety in projects will enhance the quality of working life of employees. Improved quality of working life will result in better HRM practices which will align well with project management efforts.

4. COMPARISON OF ASIAN COUNTRIES

Asian women face barriers regarding employment and they face barriers in getting employment. As opposed to male counterparts in Asian countries most of the women do not give priority to get employment in organizations. Even women in Asia with education tend to stick to their houses instead of seeking employment.

South Asian women face inequalities in the spectrum of gaining jobs in organizations. It has been observed that a certain ratio of Asian women work from home without even awareness of minimum wage rate on different projects. The interviewed women from Pakistan, India and Bangladesh claimed that they had to face job inequalities due to gender discrimination, language and age barriers.

The employment grounds in Chinese organizations have been increasing at a better rate than other Asian countries for even for the people with disabilities. Still one of the main hindrances is the physical working environment for employees with disabilities and it needs improvement. In Chinese organizations legal issues in HRM are needed to be addressed in terms of minimum wage, disable migrant employees and labor contract. Hence these steps in China provoke as a stimuli in generating equal employment opportunities in the country. [16]

4.1 Influence of Culture

Culture prevailing among different continents impacts the communication in business practices. In western European countries there is low context communication found in human resource during project phases as their culture has a tendency of low context communication. Apart from Europe other continents for instance in Asia there is high context communication. It is found that high context and low context communication style across various countries regulate the behavior of human resource during the project management practices. Area of contracts is also influenced by high and low context communication methodologies. High context communities have immense amount of paperwork involved in their projects and it is of utmost importance for managing the human resource.

For cross cultural business practices in projects it is essential to understand the partners or the human resource so that variations in communication style can be adjusted

for instance if there is an American based company wants to launch its project in Malaysia then it should adopt the Malaysian business style of communication so that human resource can be managed efficiently. [17]

Doctors formulate a major human resource in the health care projects. Real statistics indicate that 14000 doctors and medical related human resource were surveyed regarding the workplace stress they face during their projects and it was indicated that stress caused them to encounter suicidal thoughts more than other industries. This distress is caused due to long working hours at projects. Other factors which resulted in distress are due to racism and bullying at workplace too. [18]

4.2 Asia's Most Valued Companies

According to market capital share it can be evaluated that only that company is able to acquire maximum market share which has significant sound HRM practices in their projects and business. Most of the companies which are valuable in the Asian region belong to the country China depicting that the correlation of HRM and project management is higher which results in more productive satisfied employees who are able to carry work according to the corporate goals of the company. [19]

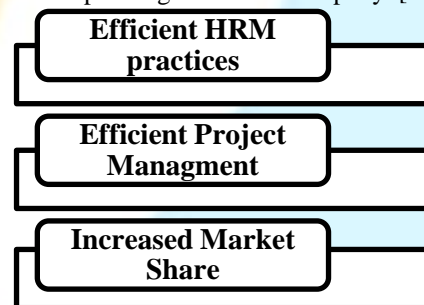


Figure 7: Aspects of Asian valued companies

As per understanding of the market capital share it can be examined that a company is able to acquire maximum market share which has competitive sound HRM practices in their project management and processes. Most of the companies which are valuable in the Asian region are depicting that the relationship of HRM and project management is higher which results in more productive content employees who are able to do tasks according to the corporate values, vision and mission of the company. Only those companies who are able to appropriately control factors influencing HRM can adhere sound project management practices.

Through an analysis of the companies the report depicts that the companies who possess an efficient system of HRM is able to earn more profits because a high level of correlation coincides in the HRM and their undertaken projects along with their management.

The prevalent feature of these real Asian companies work in the competitive world where only those companies are successful who are able to undertake their projects through proper procedures of recruiting, hiring, rewarding their HR

for the work rendered in their projects. They firmly comply with the principles of TQM in initiation and completion of their projects. Such a high correlation provides the Asian companies to earn a significant market capital.

Table 1: Asia's top companies with respect to market capital

Company's Name	Market Capital
1. PetroChina	329.6 Billion
2. Industrial & Commercial Bank of China	\$259.2 Billion
3. China Construction Bank (CICHF)	\$238.3 Billion
4. China Mobile	\$189.7 Billion
5. BHP Billiton	\$170.2 Billion
6. Bank of China	\$150 Billion
7. Agricultural Bank of China (ACGBF)	\$148.3 Billion
8. Toyota Motor (TM)	\$135.5 Billion
9. Samsung Electronics (SMSN)	\$134.8 Billion
10. CNOOC	\$113.8 Billion
11. Sinopec (SHI)	\$112.7 Billion
12. Rio Tinto (RIO)	\$108.2 Billion
13. China Life Insurance (LFC)	\$99 Billion
14. China Shenhua (CSUAY)	\$94.5 Billion
15. Commonwealth Bank (CBAUF)	\$86 Billion
16. Westpac Banking Corp (WBK)	\$78.2 Billion
17. NTT DoCoMo (DCM)	\$77.1 Billion
18. Reliance Industries (RLNIY)	\$75.7 Billion
19. Ping An Insurance (PNGAY)	\$70.4 Billion
20. Mitsubishi UFJ Financial Group (MTU)	\$67.2 Billion

The feature of their workplace for HR is that they take care of various dimensions of HR for instance proper communication during each step of project management, providing equal employment opportunities so that the right talent is recruited and refined for conducting the project, care of health and safety in tasks and improving the quality of life at work. All these HR dimensions provide a pace for efficient project management in the most valuable Asian companies.

5. INFLUENCE OF HUMAN RESOURCE PRACTICES ON PROJECT MANAGEMENT

Human resource practices are designed to improve the knowledge, skills, and abilities of employees; boost their motivation; minimize or eliminate loitering on the job; and enhance the retention of valuable employees. [20]

There is a tendency, in many projects, for the project team to be very excited about the project at the start and then the excitement fades as the project moves toward completion. Project managers must find ways to motivate the project team to complete the work. The project manager must coach and guide to develop the project team to ensure the excitement, willingness, and dedication to the project work continues.

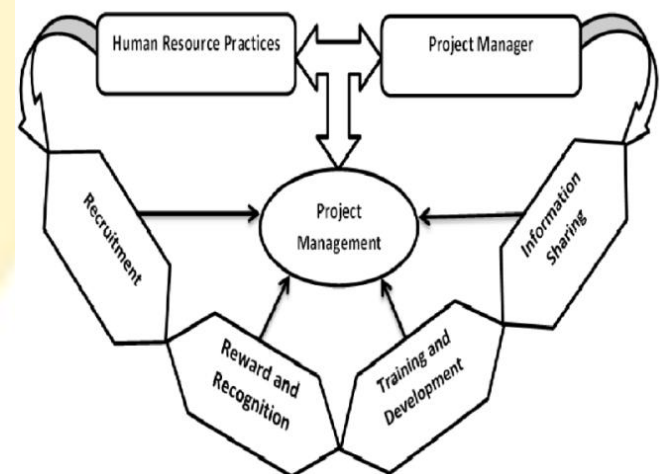


Figure 8: HR practices influencing project performance

Throughout the project the project manager will have to address project team retention, performance appraisals, labor relations, and depending on the nature of the project work, health and safety issues. As most projects are new and temporary, so too are the relationships between the project team members and the project manager. Project human resource management may not be completely in the hands of the project manager. The performing organization's HR department may have control over the majority of the assignment and recruitment of the project team, but the project manager will need some knowledge as to the responsibility, power, and autonomy in order to comply with the organization's policies. [21]

6. ADVANTAGES

The correlation of HRM and project management is beneficial for companies. The HRM will ensure that right personnel are selected for handling the projects. The project management will be efficient with right people handling the tasks of the projects. In respect of the project scope, schedule and cost HRM practices will undergo systematic planning and development of HR which will

enhance the chances of the project success. Wage concerns and other benefits will be catered by efficient mechanism of HRM which will ensure that employees are satisfied and they are willing to provide their utmost expertise in the tasks allotted to them regarding the projects.

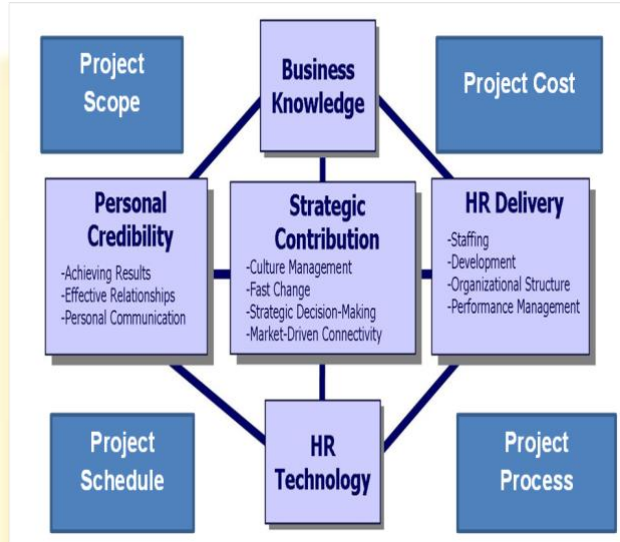


Figure 9: Advantages of factors of HRM in Project Management

Source: SS&AS, “Manpower Planning Services”, 2010

HRM will provide the advantage of training to personnel according to the specifications of the project. Project management will be facilitated because employees with upgraded skills will work according to the projects specifications and will adhere to the scope of the project. Further performance appraisals according to the HR performance on the projects will keep the project manager, sponsors and stakeholders aware that whether the competencies of the employees have being utilized in carrying out the project at hand.

HRM will work as a stimuli and motivator by giving incentives and rewards to better performing employees on the project. On the basis of their performance on the project better performers can be highlighted who can be considered for working on other projects in an organization.

Employee productivity, satisfaction and motivation will be enhanced through correlation of HRM and project management. So employing better HRM practices in project management will facilitate the planning, organizing and controlling of the projects of organizations.

7. DISADVANTAGES

A few social concerns serve as a disadvantage for the correlation of HRM and project management as employees will provide all their personal information which will be continuously used by HRM for project management purpose but there is a likelihood of breach or theft of employee secrets or privacy. Sensitive data of an employee for instance ID card number and Bank accounts can come

into access by non-management personnel which can result in serious consequences for the well-being of that employee.

The softwares that will be deployed for evaluation of employees during the projects will merely provide objective data of an employee for instance degrees and certifications which will prompt the project manager to make hasty decisions by focusing on them while ignoring the overall subjective performance of the employee at work. The project manager would not be tempted to spend time on knowing employees working on different parts of the projects. Hence such HRM softwares for project management would act as a hindrance for evaluating the HR subjectively and it will prompt hasty actions by the top management.

8. THE ROLE OF HUMAN RESOURCES MANAGEMENT IN PROJECT SUSTAINABILITY

The project company should be trained to conserve a project's resources, such as human resources, raw materials, money (budget), time (schedule), and so on. It should be thought by the project manager that what will happen to the product of the project in the long term.

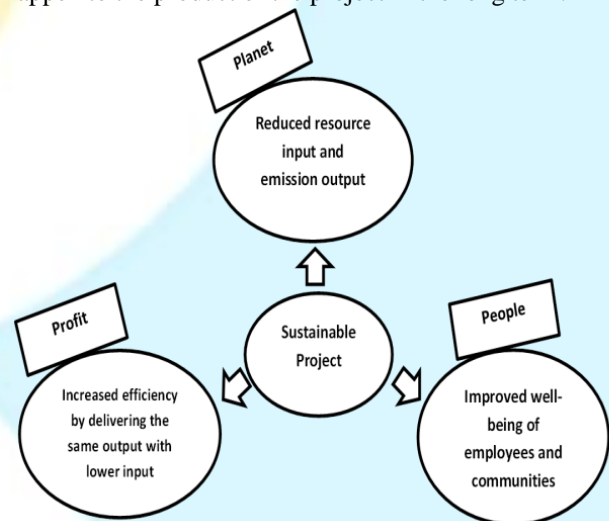


Figure 10: 3 P's in making a project sustainable

By organizing human resources management processes around a set of clear, mutually supporting principles, the project manager has the potential to build a distinctive resource-based advantage in the project. By linking those HR principles to the company's triple bottom line sustainability objectives, the project manager can create lasting project advantage and build capabilities for positive change in economic, social, and environmental terms. [22] The companies should prepare three different (and quite separate) bottom lines. One is the traditional measure of corporate profit—the “bottom line” of the profit and loss account. The second is the bottom line of a company's “people account”—a measure in some shape or form of how socially responsible an organization

has been throughout its operations. The third is the bottom line of the company's "planet" account—a measure of how environmentally responsible it has been. The triple bottom line (TBL) thus consists of three Ps: profit, people and planet. It aims to measure the economic, social and environmental performance of the organization over a period of time. [23]

8.1 Key HRM Processes in making a project sustainable

HRM primary goal for project sustainability is to set principles and practices that will help institutionalize the concept of sustainability in the organization. The HR department is responsible for initiating, communicating, and implementing sustainability values and strategy throughout the organization. It incorporates awareness of social and environmental issues into project decisions at all levels. [24]

Organization Effectiveness/ Change Management	<ul style="list-style-type: none"> • Drive dialogue on triple bottom line sustainability among senior executives and levels of managers to build consensus on concept of sustainability • Develop communication processes to link functional work of all divisions toward key sustainability
Strategic Human Resource Planning	<ul style="list-style-type: none"> • Focus on HR strategy to support business directions under sustainability • Essentially align human and organizational capital to the vision of sustainability and the strategies of project • Develop HR staffing plans to support divestiture and acquisition of new projects
Talent Management/ Staffing	<ul style="list-style-type: none"> • Profoundly integrate sustainability objectives into recruitment and selection procedures to seek fit and build commitment in new hires • Identify talent to support current sustainability objectives • Build pool of human capital (knowledge, skills) toward sustainability-framed project strategies
Training & Development	<ul style="list-style-type: none"> • Train and educate employees across the three conceptions of sustainability framework. • Develop leadership capacity toward sustainability alignment objectives. • Instill development processes (mentoring, career development) with sustainability concept for future capability building

	<ul style="list-style-type: none"> • Focus skill-building to support sustainability-framed project objectives
Performance Measurement Systems	<ul style="list-style-type: none"> • The HR department should integrate performance measurement systems to communicate management priorities by signaling throughout an organization the expected outcomes that the management has determined to be important. • The performance evaluation of the project team should include a sustainability performance component where appropriate.

Table 2: Key HRM Processes In Making A Project Sustainable

Source: Barry C and Elizabeth K, "Three Conceptions of Triple Bottom Line Business Sustainability and the Role for HRM", pp.27

9. CONCLUSION

Human resource management is an essential aspect for ensuring efficient project management. The most important factors which influence HRM are communication, health and safety, equal employment opportunity and quality of working life. The factors of HRM forecast crucial implications for project management. If the factors are appropriately addressed and influenced by the management then positive outcomes can be yielded from project management efforts. It is estimated that a high degree of correlation exists between HRM and project management. The understanding of this correlation is useful for attaining desired objectives in a project oriented companies. The countries whose project oriented firms are recognizing and aligning HRM efforts with project management are able to achieve efficient and effective outcomes. Carefully tailored HR practices for projects are needed for sound project management. Further the project sustainability is dependent upon HRM processes for yielding efficient project management.

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Author's Biography



B.Zia is an ongoing student of Mphil in Kinnaird College for Women Lahore. She has an experience of teaching in reputed schools of Pakistan for a couple of years. She is an online columnist, content writer and blogger. Recently a few of her writings have appeared in the prestigious newspaper of Pakistan regarding the prevailing economic scenario in the country.



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H.Gill is a student of Mphil in Kinnaird College for Women Lahore. She has a flair for writing about the factors which impact human resource as a resultant of the internal and external environment. She is aspired to work for the welfare of human resource in the country.



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Dr. F. Zafar has studied from University of Derby. She is currently working at GCU Lahore Pakistan. She has a firm grasp in the field of research and many of her research papers have been published in various conferences and journals. She has also taken multiple initiatives in Pakistan in the field of education.