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THE INFLUENCE OF HUMAN RESOURCES MANAGEMENT PRACTICES ON PROJECT SUCCESS. CASE STUDY: HIGHER PRIVATE EDUCATIONAL INSTITUTIONS IN MOGADISHU- SOMALIA

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ABSTRACT

The main purpose of the study was to investigate the influence of human resources management practices on project success. The study was guided by the following objectives: to assess the extent to which selective hiring influences project success; to investigate to what extent training influences the success of the project; to examine how compensation system influences project success, and to evaluate to what degree performance appraisal influences the success of the project. The study adopted descriptive and correlation design. Private non-profit universities constituted the target population. A questionnaire carrying 25 questions was administered to 87 respondents. The results obtained indicate that a selective hiring is statistically associated with project success ($p < 0.05$). The results also indicated that training was statistically associated with project success ($p < 0.05$). The study findings showed that compensation system is statistically associated with Project success with ($p < 0.05$). It was also found that performance appraisal was statistically associated with project success with ($p < 0.05$). Finally the study recommends that universities promote effective selective hiring so that only qualified talented job candidates are recruited to the project organization. To provide training programs on a timely basis to increase the staff knowledge, skill and abilities for better performance. To provide additional pay systems and offer favorable salary and rewards to the high performing employees to maintain and enhance project success. To apprise and provide notice to employees about their feedback performance and maintain reinforcing and rewarding good and positive work behavior.

1.0 INTRODUCTION

Human Resource Management practices are vital for the success of the project organizations and human resources are considered as the most valuable asset in an organization. Organizations involved in projects face rapid environmental change, changing client and user demands, and competition to offer innovative products and services. The prime factor in sustaining desirable competitiveness is the productivity of the workers. Employees are the most important resource of firms. Except from the people, all the assets of an organization are passive resources which require human application to generate value.

Thus, having the right human resources (personnel) at the right place and at the right time is of utmost importance to the survival and success of any organization. A project can be considered to be any series of activities and tasks that have a specific objective to be completed within certain specifications; have defined start and end dates; have funding limits (if applicable); consume human and nonhuman resources (i.e., money, people, equipment); and are multifunctional (i.e., cut across several functional lines. (Kerzner, 2006). In order to strategically build and maintain a competitive advantage and increase project performance, organizations in projects must acknowledge and accept the significance of human

resources as a most important factor in their project performance and a core element of project management bodies of knowledge. Thus, having the right human resources (personnel) at the right place and at the right time is of utmost importance to the survival and success of any organization (Tayeb, 1997) and (Olusola & Unam, 2015). Indeed HRM and personnel have different meanings. Personnel involve narrow functional approach taken towards a department's activities, while HRM implies an integrative or strategic approach. They stated that personnel departments were designed to respond to only after problems were identified. In contrary, HRM dictates a proactive approach, one that projects organizational and environmental changes

PROBLEM STATEMENT

Although many studies have noted the importance of some elements of human resources management practices in higher educations, a few have utilized the elements of human resources management practices on a frequent basis (Allui & Sahni, 2016). If higher educational institutions that started operating in Mogadishu, Somalia applied Human resource management practices in the selection of qualified employees, trained their employees, compensated them according to their performance, and had retention strategy in place, they would survive, compete and then remain effective in their long run. Some Universities in Mogadishu have experienced a variety of expansions with the arrangements and establishment of new faculties, expansion of academic programs, expansion of learning centers as well as fierce and tougher competition.

However some projects suffer and fail. Some University programs, for example, suffer shortly after they are inaugurated. It is not known whether their failure is attributed to poor human resources strategies and no research study explicitly outlining the influence of human resources management practices on the project success has been done in Somalia. However, we have only a theoretical reason to believe that such a relation exists.

Therefore, it is important to consider how project success might be influenced by different dimensions of human resource practices and that is why the researcher decided to work on this particular subject.

This study is going to address an essential research question: the contribution of human resource management practices to project success. It is attempting to test the relationship between human resources management practices and project success in a developing country i.e. Somalia.

2.0 LITERATURE REVIEW

HUMAN RESOURCES MANAGEMENT PRACTICES

The concept of human resources management has been defined in many ways. According to Mondy (2016), the concept of Human resource management refers to the Utilization of individuals to achieve organizational objectives. Basically, all managers get things done through the efforts of others. Human resource management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006). Human resource management (HRM) refers to the process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns (Dessler, 2013). Sani (2012) stated that Strategic Human Resource Management involves a managerial direction that makes sure that human resources are employed in a manner contributing to the realization of organizational goals and mission. According to Ekwoaba (2015), the success of project organization is largely dependent on the capable and highly qualified and motivated employees. Thus, in order to be differentiated, the organizations must be very careful with human resource management practices. Selective hiring involves several activities, which include cautious matching between job candidates and job requirements, careful attempt to attract the best talent from the job market, as well as offering higher compensation to retain the talent in the organization (Ling, 2015). Selective hiring also implies careful matching between job applicants and the organization's culture, thereby, ensuring a better person-organization fit, which then leads to greater organizational performance (Monday, 2007). Selective hiring implies involves two human resources practices namely recruitment and selection. According to Mondy (2013), recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications to apply for jobs with an organization while Selection is the process of choosing from a group of applicants the individual best suited for a particular position and the organization (Dessler, 2013). Properly matching people with jobs and the organization is the goal of the selection process. If individuals are overqualified, under-qualified, or for any reasons do not fit either the job or the organization's culture, they will be ineffective and probably leave the firm, voluntarily or otherwise. (Mondy R.W., 2016) defines compensation as the total of all rewards provided to employees in return for their work. The overall purpose of compensation is to attract, retain, and motivate employees.

As Dessler (2013), stated organizations keep generating and monitoring the development of desired employee attitudes and behaviors through the use of the appraisal mechanisms. This appraisal-based information is used for rewarding, promoting and developing employees with the desired behaviors and attitudes. However, the effectiveness of skilled employees will be limited unless they are motivated to perform their jobs.

PROJECT SUCCESS THROUGH HUMAN CAPITAL

A project can be considered to be any series of activities and tasks that have a specific objective to be completed within certain specifications; have defined start and end dates; have funding limits (if applicable); consume human and nonhuman resources (i.e., money, people, equipment); and are multifunctional (i.e., cut across several functional lines. (Kerzner, 2006). In a turbulent competitive environment, completing a project successfully with in specified schedule, budget and with the desired quality is a big challenge faced by the firms (Imran, 2016). Saviour, Kofi, Yao, & Kafui, (2016) investigated the current recruitment and selection practices and their impact at University of Ghana. The study employed descriptive, cross-sectional survey design. A sample of 300 was chosen using non-probabilistic sampling technique, especially purposive sampling. Data for the study was obtained by the administration of a questionnaire. The study applied the logistic regression model to describe the relationship of several independent variables to a dichotomous dependent variable or a limited dependent variable. The findings reveal that recruitment and selection of employees to a greater extent determines the performance of an organization and it is of great importance if organizations want to achieve their goals.

Another study was established to examine the influence of recruitment and selection on the performance of employees in research institutes in Kenya. The overall objective of the study was to determine how recruitment and selection influence employee Performance in research institutes in Kenya. The study adopted descriptive and correlation research designs. The study adopted stratified sampling technique while the sample size was 256 employees. The study used questionnaires to collect data. A statistical package for social sciences (SPSS) was used to analyze quantitative data while data was presented using statistical techniques such as tables, bar-graphs and pie charts. The results of the study revealed that the correlation between employee performance and recruitment and selection were highly significant at 0.374 (P=0.000) (Kepha, Mukulu, & Waititu, 2014).

A recent research aimed at the investigation of effect of staff training on performance of companies in

Tehran. The research design was a descriptive survey and the survey instrument was a researcher-made questionnaire. Sample size (140 persons) was drawn and cluster random sampling method was used. Data analysis was performed using SPSS. The Results from the study showed that staff training affects performance of companies. Also the results showed that staff training affect on quality of work, work speeding and customer satisfaction (Fakhr, Ali, & Salari, 2016).

Another research paper was conducted to examine the impact of training on employees' performance and Organization's competitive advantage in Indian telecom industry. The objectives of the study were to provide the concept of training in brief; to investigate the impact of training on employee's performance in selected telecom companies. A sample of 210 employees from four telecom companies has been selected for the study. Data have been collected through questionnaires designed on a five point Likert scale. Simple Linear Regression and Statistical Package for the Social Sciences (SPSS) were applied to analyze the relationship between training and employee's performance in selected telecom companies. The findings from the study indicated that training had a significant impact on employee's performance in selected telecom companies (Khan, 2016). In another study the impact of three HR practices on the perceived performance of university teachers of Azad Jammu and Kashmir (AJK) in Pakistan was investigated. The primary objective is to analyze the impact of selected HR practices (compensation, performance evaluation, and promotion practices) on the employee's performance. The design was empirical with Questionnaires filled by 113 respondents. The study applied Pearson correlation and regression analysis to find the association among variables and impact of three independent variables on the dependant variable of perceived performance of university teachers. The result of the study shows that the compensation practices in relation to the employees' performance are significantly positively correlated whereas the performance evaluation and promotion practices have insignificant relationship with the performance of university teachers in AJK Pakistan. HR practices like compensation, performance evaluation, and promotion practices were used independent variables, while perceived performance was used as dependent variable. The data were obtained from published records of KAAV International Journal of Economics, Commerce & Business Management (Ahmad & Shahzad, 2011). Results illustrated that all selected SHRM practices were positively related to company performance. Another research was conducted to find the influence of Human Resource Factors on Employee Performance

in Garment Manufacturing Firms (GMF) in Delhi/NCR. The primary purpose of this research therefore is to provide a careful description of the various workplace practices used by Indian garment manufactures and to examine the positive effects of these different practices on employee performance. HR Practice variables - Training, Compensation, Performance appraisal, Recruitment & Selection were considered to be the independent study variables. The study adopted survey design. Questionnaire was designed, distributed and filled by 16 HR managers. Correlation Analysis was used to analyze variables of success of HRM practices having impact on improving organizational performance of GMF. The results of this study found that there is significant relation of employee performance with HRM practices including training, performance appraisal compensation, recruitment and selection (Mittar & Mathew, 2014). The data were obtained from published records of Journal of Business and Economics.

Shaukat, Ashraf, & Ghafoor,(2015) conducted study aimed at identifying the impact of Human Resource Management Practices on Employees Performance in Pakistan. The primary purpose of this study is to explore contribution of Human Resource Management (HRM) practices including selection, training, career planning, compensation, performance appraisal, and job definition and employee participation on perceived employee performance. The data were obtained from published records of Middle-East Journal of Scientific Research. Results found indicate that these practices have an economically and statistically significant impact on employee performance. The results also indicated that all tested HR Practices are having positive correlation with employees' performance.

Today, many researchers agreed that the human resource function is one of the most crucial elements in an organization's success (Subash Chandra Pattnaik, 2012). However, the findings of study undertaken by Belout & Gauvreau (2004) are surprising.

The results show that the human resource factor is only a marginal variable in project success. The authors concluded that the "Personnel factor" was the only factor in their research that was marginal for project success. The Results also showed that there was a link between project success and the Personnel factor but the factor did not have a significant impact on project success.

CONCEPTUAL FRAMEWORK

There are a number of HR practices that could be tested in connection with project performance. Tessema, & Soeters (2006) as cited by Subash Chandra Pattnaik (2012) have studied eight HR practices and their association with perceived project performance. These eight practices include recruitment and selection practices, placement practices, training practices, compensation practices, employee performance evaluation practices, promotion practices, grievance procedure and pension or social security. Shaukat et al., (2015) used seven Human Resource Management (HRM) practices including selection, training, career planning, compensation, performance appraisal, and job definition and employee participation on perceived project performance. Available literature has suggested that the success of the enterprise is directly associated to the performance of those who work for that organization. On the other hand, under-achievement can be a result of workplace failures (Ekwoaba, 2015). In light with the above researches conducted and human resources practices investigated, this study examines the influence of four human resources practices i.e. selective hiring, training, compensation and performance appraisals practices on project success.

Therefore, it is important to consider how project success might be influenced by different dimensions of human resource practices and that is why the researcher is motivated to work on this particular subject. Hence this study is going to address an essential research question: How do human resource management practices contribute to project success?

Figure 2.1, shows how the independent and dependent variables are interrelated as conceptualized by the researcher. The directions of the arrows indicate the interrelationships between the variables of the study.

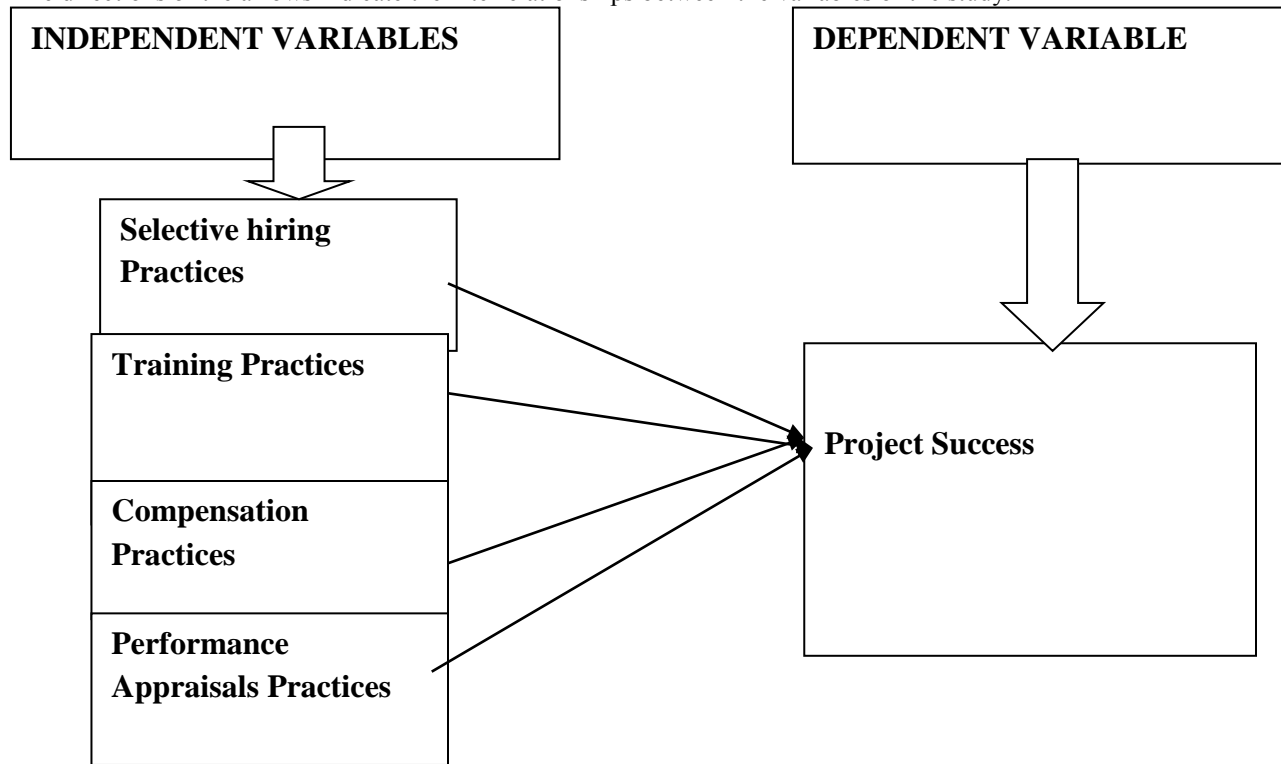


Figure 2.1 depicting the interrelatedness of the study variables

3.0 RESEARCH METHODOLOGY

The research employed descriptive and correlation designs. The target population of this study was eleven higher Private non-profit Universities in Mogadishu, especially key department heads and office holders. The sample consists of 87 key office holders of eleven universities in Mogadishu according to slovin's formula. The study used questionnaires to collect data. A statistical package for social sciences (SPSS) was used to analyze quantitative data while data was presented using statistical techniques such as tables and results shown in terms of frequency distribution, and descriptive mean and a correlation. The questionnaire was pilot-tested with a small sample of 87 key university office holders. The results indicate that it meets the adequacy level of 0.7 in terms of Cronbach's Alpha—a measure of internal consistency or reliability as advocated by Golaifshani(2003). For instance, selective hiring by the universities involved was measured using five items with a Cronbach's Alpha value of 0.701. Training practices were measured using 5 items with a Cronbach's value of 0.704, and compensation practices using 5 items with a Cronbach's Alpha value of .702. Similarly, performance appraisals were measured using 5 items

with a Cronbach's Alpha value of 0.691. While project success was measured using 5 items with a Cronbach's Alpha value of 0.720. the data was analyzed quantitatively and presented descriptively and illustrated by using of tables. The data was tabulated and classified according to their common characteristics.

4.0 SUMMARY FINDINGS OF THE STUDY

The study investigated the influence of human resources management practices on the project success. The study was guided by the following objectives: to assess the extent to which selective hiring influences project success; to investigate to what extent training influences the success of the project; to examine how compensation system influences project success, and to evaluate to what degree performance appraisal influences the success of the project.

After months of research, the following conclusions were found that:-

The first objective - Selective hiring is statistically associated with the project success at ($r=.252$ and $p>.019$) which is less than 5%. A unit increase in selective hiring would lead to increase in Project success by 0.252 with a p-value of 0.019 at

eleven universities in Mogadishu-Somalia. The results of the study by Kepha, Mukulu, & Waititu, (2014), revealed that the correlation between employee performance and recruitment and selection were highly significant at 0.374 ($P=0.000$). Similar findings by Saviour, Kofi, Yao, & Kafui (2016), reveal that recruitment and selection of employees to a greater extent determines the performance of an organization and it is of great importance if organizations want to achieve their goals.

The second objective- training was statistically found to be associated with project success in eleven universities in Mogadishu, Somalia at ($r=.368$ and $p>0.000$) which is less than 5%, which means a unit increased in training would lead to project success increased by 0.368 with a p-value of 0.000. Fakhr et al., (2016), investigated the effect of staff training on organizational performance and the findings reveal that the training affects quality of work, work speeding and customer satisfaction. Similarly another research paper conducted to examine the impact of training on employees' performance and Organization's competitive advantage in Indian telecom industry indicated that training has a significant impact on employee's performance in selected telecom companies (Khan, 2016).

In the third objective, as shown by the findings the compensation system employed by the universities has contributed to Project success. Compensation practice was statistically associated with Project success at ($r=.312$ and $p>.003$) which is less than the level of significance. A unit increases in compensation practice will lead to an increase in Project success by 0.312 with a p-value of 0.003. Similarly the results of the study undertaken by S. Ahmed & Shahzad (2011) show that the compensation practices in relation to the employees' performance are significantly positively correlated.

Under the fourth objective, the study indicates positive relationship between Performance appraisal and project success of eleven universities in Mogadishu, Somalia at ($r=.493$ and $p>.000$). Performance appraisal is found to be statistically associated with the project success. A unit increases in the performance appraisal practice will lead to an increase of project success at eleven universities in Mogadishu-Somalia by 0.493 with a p-value of 0.000. Mittar and Mathew (2016) obtained similar findings. In their study they found out that there is significant relation of employee performance with HRM practices including training, performance appraisal compensation, recruitment and selection. All human resources practices are vital for the success of the project organizations (Shaukat, Ashraf, & Ghafoor, 2015)

5.0 RECOMMENDATIONS

In light of the evidence from this study that HRM practices have positive association with project success in the private non-profit universities in Mogadishu, the researcher suggests the following recommendations:-

1. Universities should redouble their efforts in looking for experienced staff in the recruitment and selection processes, while clearly defining the job description and job specifications before recruiting process to ensure project success
2. They should also conduct pre-selection tests so that the job candidates undergo open competitive examination before they are accepted. The new candidates should be verified before and after selection. Similarly personnel that fit the culture of the university should be selected.
3. The Universities should increase investing time and effort in building competencies of the employees on a continuous basis so that the staff become proficient to perform the project activities while providing low performers training to develop their skills
4. The universities should employ and rely on equity theory so that Salaries and other benefits of the university are comparable to what is generally obtainable in the industry to retain the best talented staff in the project
5. Universities should effectively communicate their reward system to all staff in their respective area while employees should be rewarded and valued for what they do and achieve in the Universities
6. Your Universities should attempt to prepare fully detailed and a written policy regarding the performance appraisal of employee, while making their staff aware of the method adopted for performance appraisal in advance before implementation.
7. The university should increase the use of incentives to boost individual, team and project performance and ultimately inform the staff about their performance.
8. The universities in Mogadishu should significantly appreciate and be in line with the staff contribution making sure that the project completion on time, with schedule and agreed- upon specifications are sustained and maintained

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