
**The Determinants of Human Resources Management Practices in Multinational
and Indigenous Construction Firms in Akwa Ibom State**

AKPAN, E. Ebenezer, *Ph.D, FCICN, AP, PPGDCA, PHDCDPM*
Corporate Institute of Research and Computer Science,
140 Ikot Ekpene Road,
Uyo, Akwa Ibom State

ABSTRACT

This study assessed the determinants of human resources management practices in multinational and indigenous construction firms in Akwa Ibom State. This study adopted a survey research design. The study was conducted in Akwa Ibom State. The population of the study referred to specific elements of interest in a study. The elements of interest in this study are targeted professionals. The sampling frame for this study consists of large and medium MCFs and ICFs executing public projects within the study area. Therefore, the sample size for this study is sixty-two (62) construction firms. This study adopted both primary and secondary data collection tools. Data obtained from respondents was analyzed using Percentages, mean item score to analyses respondents' ranked opinions based on the 5-point Likert scale. All hypotheses were tested at 0.05 level of significance. The study concluded that Human Resource Management is very complicated subject in which standardized practices cannot be implemented and followed. This is so because human beings possess varying degree of psychological behaviors, skills, expertise, emotions, motivation levels, loyalty and desire for professional growth. There is a strong relationship between good HRM practices and workers' productivity in construction firms in Akwa Ibom State. This shows that workers will be committed in construction firms where HRM practices are effective. The result indicated that a firm where HRM is characterized by inconsistencies and deployment challenges, workers' productivity will be low. It is also concluded that there is significant difference in HRM practices of indigenous construction firms (ICFs) and that of multinational construction companies (MCFs) in the study area. Finally, there is significant difference in workers' productivity between indigenous and multinational construction firms. One of the recommendations made was that the construction organizations in Akwa Ibom State should embark on a serious employee training campaign in order to get more from her workers.

KEYWORDS: Human Resources Management, Multinational, Indigenous, Construction Firms and Akwa Ibom State

Introduction

The global construction industry is dubbed labour intensive. This trend has not shifted despite advancements in technology that promote development in prefabrication and automation of construction products and processes (Langford & Male, 2001). Human resources, therefore, drive the operation and functionality of this all-important sector. Despite this pivotal role, the construction industry is affected by poor performance and lower productivity. Kokkaew and Koompai (2012) attribute these outcomes to difficulty associated with human resources (HR). Conventional practices embrace human resource management (HRM) as an inclusive yardstick for productivity

improvement, which was traditionally a function within the personnel management units of conventional firms (Anderson & Woodhead, 2005). HRM refers to the process of determining a course of action and the allocation of resources to facilitate the pursuit of set goals in acquiring workers, preparing them for work, overseeing their performance, and providing compensation. Despite these publicized advantages, the level of use of this practice within the construction sector remains widely unknown. Its application in other sectors of the global economy is well documented.

Huemann, Keegan, and Turner (2007) studied the context of HRM practice within the construction sector and other industries. This study found that project management strategy, the temporary nature of construction products, dynamism, project portfolio, and management paradigm affect the use of HRM in the construction industry. A study by Loosemore, Dainty, and Lingard (2003) found that the male-dominant setting of the construction industry also impacts significantly on HRM practices. Tabassi & Bakar (2008) studied HRM in Iran and found that training and motivation of employees are major obstacles to its effective deployment. The construction industry in Nigeria is an upcoming industry, a sector regarded as a catalyst for growth, while its performance serves as an indicator for the nation's economy. However, a study that relates HRM practices to workers' productivity in Nigeria is not apparent; a need therefore exists to explore the correlation between HRM practices and workers' productivity in Nigeria. This is directed towards filling a literature dearth in this aspect, and the need to stimulate improvement in productivity through HRM practices.

Statement of the Problem

Human resources management and productivity are widely considered concepts in the overall analysis of industrial success. Pfeffer (1994) noted that in order to achieve organizational goals and enhance productivity, flexible and capable workers play a crucial role. As a result, it is important that a construction firm adopts HRM practices that make the best use of its workers. HRM is the most important function in all organizations. It contributes to the success of the organization and creates a competitive advantage for it. Construction-Based Organizations (CBO) exert pressure on the workers by the very nature of their dynamic work environment, which may affect their productivity, project performance, and delivery. One of the main causes of project failure is the lack of effective HRM practices (Schmid & Adams, 2008). The HRM practices-ways of handling workers' welfare issues, recruitment and selection, training and development, human resource (HR) planning and workers' skills may determine how the worker copes with temporary work structures that make workers uncertain about their future and lead to reduced productivity and thus poor project delivery.

Objectives of the Study

1. To find out the factors that influence HRM practices in Akwa Ibom?
2. To examine the HRM practices between multinational and indigenous construction firms in Akwa Ibom State?

Research Questions

1. What are the factors that influence HRM practices in Akwa Ibom?

2. Does HRM practices differ between multinational and indigenous construction firms in Akwa Ibom State?

Hypothesis

There is no significant difference between HRM practices of Indigenous and multinational construction firms.

Literature Review

Evolution and Concept of Human Resource Management

Human resource management (HRM) is the practice of recruiting, hiring, deploying, and managing an organization (Chai, 2020). No doubt, human society has always been organized into groups for various group objectives. The industrial revolution of the 18th century triggered off what is today's modern HRM. The industrial revolution, which was a technological revolution, brought the factory system instead of the earlier craft system. Machines were invented, and speed was brought into the organization process of getting things done. As Udeze (2000) writes, the major feature of this technological revolution (the industrial revolution) was the invention of machines to perform activities hitherto performed by manual labour. The industrial revolution had deep consequences for management. These were human problems of concentration and technical problems. The human problem was mainly the many people who had to work under one roof in the factory system. The technical problem was associated with how to operate the machines. The second problem of skill acquisition was addressed to a large degree while the human problem was neglected. (Ulrich, 2005). The assurance of productivity through a happy and motivated workforce became an ideology vigorously pursued. Most definitions found during the review did not represent the full picture of the HRM function. For example, Armstrong (2003) defined it 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.

In Nigeria, the civil service native staff union was formed in 1912. The amalgamation of the Northern and Southern protectorates by Lord Lugard in 1914 marked the centralization of public service machinery and increased activity of the labour union. The Nigeria Labour Congress and the Trade Union Congress are the latest sensations in the labour movement in Nigeria. No doubt, the advent of labour unionism in Nigeria and the world over has brought a new impetus to human resource management and the human relations angle to organizing. Challenges still exist in human resource management in Nigeria. Corroborating the above statement, Udeze (2000) says "Management has made significant progress in planning, organizing, and measuring work, and success has been achieved in managing material resources for optimal results as well, but the degree of success in managing people could, however, not be said to have recorded the same degree of success." He concludes that human resource management is the most daunting of all management's responsibilities and perhaps the most popular subject of research and experiment. Recently, the need for and importance of human resource management has become more pronounced. It must also be noted that human resources have an unlimited capacity for creativity, resourcefulness, and productivity. Sims (2006) contends that today's managers believe that any attempt to access and activate the potential of human resources holds an

exciting promise for the organization and humanity in areas of higher productivity and profit maximization. This is at variance with the earlier mechanistic approach to managing human resources at work.

Factors Influencing HRM Practices in the Construction Industry

When it comes to human resource management, there are several factors that influence day-to-day operations. As a result, HRM practices differ from one organization to another, as well as from one country to another. Ozutku and Ozturkler (2009) suggest that external and internal factors affecting HR practices differ significantly across countries. There are various factors, internal and external, that have an influence on HRM practices. Some of the major factors which impact HRM practices are;

External factors: According to Kane and Palmer (1995), external factors affecting HRM practices are those pressures on organizations that cannot be controlled and changed as per the organization's needs for adapting in the HRM field. It is important to have a close look at external factors as these impacts the HRM practices of the organization. To avoid being burned by HR, they have to be sure that they are paying close attention to external influences. A well-developed strategy for human resources should take into consideration external factors because there is a good chance that these external factors affect the organization's work. These external factors include the following: economic conditions and changes, technological change and advancements, labour laws and government regulations, diversity and discrimination (workforce demographics), and industry characteristics.

Internal Factors: Internal factors that affect HRM practices are related to the events and changes taking place within the organization. This can include changes in ownership, changes in the internal management structure, mergers, acquisitions, and significant downsizing or hiring trends. The internal environment of organizations strongly affects their HRM practices. According to Zheng and Morrison (2009) study, various HRM practices at small and medium enterprises are influenced by organizational contextual variables including ownership, age, and size of firms. Milkovich and Boudreau (1991) pointed out that researchers have compiled a list of organizational characteristics which are related to HR practices. The important internal factors are as follows: organization size, lack of formal written HRM plan, organizational culture/structure of HRM unit, lack of HRM department, project management factors, retention and job security, quality of work life (QWL), technology, general education on safety and professional skills, managerial factors, unfair wages, lack of motivation, training and retraining (opportunity to learn new skills) and language barrier and communication.

HRM Practices of indigenous and Multinational Construction Firms

The oil boom of the 1970s put Nigeria on the path of strong economic growth, which subsequently put pressure on the government in the area of planning and execution of infrastructural development projects due to a lack of competent Indigenous Construction Firms (ICF) and professionals. There was a climate of co-operation that welcomed foreign management skills and technology (Udeze 2004). This led to the engagement of multinational construction firms (MCF) and professionals in collaboration with the ICF to plan and execute the various development projects. The expectation of the Nigerian government then was that the ICFs would imbibe the management skills, organizational practices and technology of the MCFs and grow and

acquire the requisite competence to be able to handle future construction works of any magnitude, in addition to being competitive. The situation then was just like in British Columbia (2007), which reported strong and sustained economic growth but lacked the required workforce and made efforts to attract skilled workers through immigration. Companies from different countries, cultural settings, ethnic descents, and environments, namely the UK, Germany, Italy, Israel, and Korea, among others, were engaged. Many infrastructure development projects were built by these MCFs, and they continue to operate in Nigeria as construction contractors, employing Nigerian professionals and local firms as subcontractors (Sims, 2005). Collaboration between the MCFs and the ICFs and professionals continued. With the passage of time, many of the indigenous construction professionals formed their own construction companies and started competing with the MCFs.

Imaga (2001) believes that HRM function has been elevated today because of the increasingly critical nature of problems and challenges in the more effective utilization of human resources. When an organization buys or invests in an expensive piece of equipment, it receives a manual containing instructions for operating it, maintaining it, and troubleshooting when the equipment does not function as it should, but when the organization procures its human capital, it does not receive a similar manual. This information gap on human resource management must be filled. The role of the human resource manager is evolving with the change in the competitive market environment and the realization that HRM must play a more strategic role in the success of an organization (Sims, 2005). Organizations that do not prioritize effective management and talent retraining may face dire consequences as their competitors outperform them in the strategic use of their human resources. With the increase in competition, locally or globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. To improve the Nigerian construction industry, therefore, there is a need to develop appropriate institutions and good HRM practices to facilitate the development of the industry and to promote multiculturalism by encouraging strategic alliances such as joint ventures between indigenous and multinational construction firms. Through joint partnership with foreign firms, it is expected that managerial and technological know-how and expertise would be transferred to the indigenous construction firms (Ofori, 1991) through policy formulation. A holistic approach, which is fundamentally important to policy articulation, formulation, and implementation, should be adopted. Above all, efforts should be geared towards the development of the economy as a whole, as the development of the construction industry rests on the development of the economy.

Methodology

This study adopted a survey research design. The study was conducted in Akwa Ibom State. The population of the study referred to specific elements of interest in a study. The elements of interest in this study are targeted professionals. The sampling frame for this study consists of large and medium MCFs and ICFs executing public projects within the study area. Therefore, the sample size for this study is sixty-two (62) construction firms. This study adopted both primary and secondary data collection tools. Data obtained from respondents was analyzed using Percentages, mean item score to analyses respondents' ranked opinions based on the 5-point Likert scale. All hypotheses were tested at 0.05 level of significance.

Results

Research Question One: What are the factors that influence HRM practices in Akwa Ibom State?

From the literature, factors inhibiting human resource management practices were identified and their relative effects with respect to construction firms in the study area were collected on a five-point Likert Scale. A mean score was used to evaluate the relative effects of these factors on human resource management practices. The result of the effects of the identified factors on human resource management practices is shown in Table 1. The result shows that fifteen factors having mean scores (MS) greater than or equal to the average mean score of 2.89 significantly affect the human management practices of construction firms in the study area. Of these significant factors, retention and job security, medical care, labour laws and minimum wages, transportation, and human resource management departments that are not an integral part of the firm's strategic planning process ranked as the first significant factors affecting the human resource management practices of construction firms in the study area. On the other hand, unfair wages, diversity and discrimination, and language barriers and communication ranked as the last three factors affecting human resource management practices. The ranks of other factors affecting human resource management practices are shown in Table 1.

Table 1: Relative effects of factors affecting human resource management practices of construction firms

S/N	Factors affecting human resource management practices	N	Sum	Mean	Rank
1.	Retention and job security	60	230	3.83* *	1
2.	Medical care (particular hospital to attend in case of injury, sickness or subsidising medical bills)	60	218	3.63	2
3.	Labour laws and minimum wages	60	215	3.58	3
4.	Transportation (vehicle at your disposal, allowance for transportation from location to site and back)	60	202	3.37	4
5.	Human resource department not an integral part of the firm's strategic planning process	60	201	3.35	5
6.	Lack of formal written human resource plan based on the strategic needs of the firm	60	197	3.28	6
7.	Technology	60	197	3.28	6
8.	Regular assessment/evaluation of workers performance on the job at least once a year	60	195	3.25	8
9.	Lack of human resource department and explicit mission statement and goals	60	190	3.17	9
10.	Opportunity to learn new skills in a team environment	60	187	3.12	10
11.	Work based on contract (finish and go)	60	186	3.10	11

12.	Temporary nature of projects	60	184	3.07	12
13.	Opportunity for workers to air their views, thoughts without fear	60	180	3.00	13
14.	Ability of team leaders to adopt close supervision and monitoring strategy to ensure optimum productivity of workers	60	178	2.97	14
15.	Managerial factor	60	174	2.90	15
16.	Ability of team leaders to manage, track and appraise workers performance to enhance their productivity	60	173	2.88	16
17.	Inadequate site staff (less workers for a task leading to excessive work load)	60	168	2.80	17
18.	Quality of work life	60	167	2.78	18
19.	Inadequate training of workers to boost their performance and productivity on the job	60	161	2.68	19
20.	Overtime pay	60	160	2.67	20
21.	Lack of structured incentives	60	156	2.60	21
22.	Safety plans (availability of first aid, provision of safety kits etc.)	60	155	2.58	22
23.	Provision of equipment (adequate equipment to work with, quick replacement and repairs of broken down and old equipment)	60	155	2.58	22
24.	Communication (easy flow of information, being well communicated)	60	154	2.57	24
25.	Equity (fair treatment)	60	153	2.55	25
26.	Lack of motivation	60	144	2.40	26
27.	Team leaders assigning task to workers base on sentiments and favour	60	142	2.37	27
28.	Unfair wages	60	141	2.35	28
29.	Diversity and discrimination	60	123	2.05	29
30.	Language barriers and communication	60	115	1.92*	30
Average Mean Score				2.89	

** The highest mean level

* The least mean level

The above table 1 presents the relative effects of factors affecting human resource management practices of construction firms. From the result of the data analysis, it was observed that retention and job security, medical care (particular hospital to attend in case of injury, sickness or subsidizing medical bills), Labour laws and minimum wages, transportation (vehicle at your disposal, allowance for transportation from location to site and back), and human resource department not being an integral part

of the firm's strategic planning process, etc., were factors affecting human resource management practices.

Research Question Two: Do HRM practices differ between multinational and indigenous construction firms in Akwa Ibom State?

The influence of the level of use of human resource management practices on the productivity of workers was investigated using Spearman's Rank Correlation Order (see table 2).

Table 2: Mann-Whitney U test of difference between indigenous and multinational construction firms in the level of use of human resource management practices

Null Hypothesis	Test	N	r value	Sig.	Decision
There is no significant correlation between the level of use of human resource management practices of indigenous construction firms and workers' productivity	Spearman's Rank Correlation Order	38	- 0.756	0.000	Reject the null hypothesis
There is no significant correlation between the level of use of human resource management practices of multinational construction firms and workers' productivity	Spearman's Rank Correlation Order	38	- 0.544	0.000	Reject the null hypothesis

* Asymptotic significances are displayed. The significance level is 0.05

Table 2 shows the result of this analysis. The result shows that the respondents of the study perceived that there is a significant inverse relationship between the human resource management practices of both indigenous and multinational construction firms and workers' productivity, as indicated by r values of 0.756 and 0.544 and p values of 0.000, respectively.

Hypothesis One

There is no significant difference between HRM practices of Indigenous and multinational construction firms.

Comparison of the Level of Use of Human Resource Management Practices of Indigenous and Multinational Construction Firms in the Study Area

The level of use of human resource management practices of indigenous and multinational construction firms was compared for difference using the Mann-Whitney U test of difference. Table 3 shows the result of the analysis.

Table 3: Mann-Whitney U test of difference between indigenous and multinational construction firms in the level of use of human resource management practices

Null Hypothesis	Test	Sig.	Decision
There is no significant difference in the level of use of human resource management practices between Indigenous and Multinational construction firms	Mann-Whitney U Test	0.000	Reject the null hypothesis

*** Asymptotic significances are displayed. The significance level is 0.05**

The result indicates that asymptotic significance, or p value of 0.000 is less than the significant level of 0.05 set for the study. Therefore, the null hypothesis is rejected and it is concluded that there is a significant difference in the level of use of human resource management practices between indigenous and multinational construction firms.

Discussion of the Findings

The result of the data analysis in table 1 presents the relative effects of factors affecting the human resource management practices of construction firms. The results proved that retention and job security, medical care (particular hospital to attend in case of injury, sickness or subsidizing medical bills), Labour laws and minimum wages, transportation (vehicle at your disposal, allowance for transportation from location to site and back), and the human resource department not being an integral part of the firm's strategic planning process, etc., were factors affecting human resource management practices. This was in agreement with the findings of Noe & Richardson (2010), who studied factors influencing HRM practices in Thailand and identified them as culture, education-human capital, economic systems, and political-legal system.

The result of the data in table 2 presents the Mann-Whitney U test of the difference between indigenous and multinational construction firms in the level of use of human resource management practices. The result shows that the respondents of the study perceived that there is a significant inverse relationship between the human resource management practices of both indigenous and multinational construction firms and workers' productivity by indicating r values of 0.756 and 0.544 and p values of 0.000, respectively. The result was therefore in agreement with Crowe, Vecchi, Brennan, & Coughlan, (2007), who stated that multinational firms perform better in almost all areas than their Indigenous counterparts.

The result of the data in table 3 presents the Mann-Whitney U test of the difference between indigenous and multinational construction firms in the level of use of human resource management practices. The result showed asymptotic significance, or p value of 0.000 less than the significance level of 0.05 set for the study, which made the null hypothesis rejected and it was concluded that there was a significant difference in the level of use of human resource management practices between indigenous and multinational construction firms. The result was in agreement with the findings of Adebayo (2000) who opined that the industry situation in other African countries like Kenya and South African and that though the Indigenous Construction Firms seemed to be as adaptable as their Multinational counterparts, they however showed inadequate involvement of their workers. The degree to which they empower and develop the

capability of their workers, according to him, is less than that of their foreign counterparts and that the Indigenous Construction Firms are therefore at the much lower value-added end of construction activities in Nigeria than the Multinational Construction Firms which are at the high value-added end of the industry due to their competitive advantage. The result of the analysis caused the null hypotheses to be rejected while the alternative one was retained.

Conclusion

The study concluded that human resource management is a very complicated subject in which standardized practices cannot be implemented and followed. This is so because human beings possess varying degrees of psychological behaviors, skills, expertise, emotions, motivation levels, loyalty, and a desire for professional growth. There is a strong relationship between good HRM practices and workers' productivity in construction firms in Akwa Ibom State. This shows that workers will be committed to construction firms where HRM practices are effective. The result indicated that in a firm where HRM is characterized by inconsistencies and deployment challenges, workers' productivity will be low. It is also concluded that there is a significant difference in HRM practices between indigenous construction firms (ICFs) and those of multinational construction companies (MCFs) in the study area. Finally, there is a significant difference in worker productivity between indigenous and multinational construction firms.

Recommendations

1. The construction organizations in Akwa Ibom State should embark on a serious employee training campaign in order to get more from their workers.
2. The indigenous construction companies should improve their human resource management practices, at least to the level of the multinational companies, so that they can get the best from their workers.
3. The construction industries in Akwa Ibom State should internalize good welfare services and effective labor policies.

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