

Human resource management practices and project success, a moderating role of Islamic Work Ethics in Pakistani project-based organizations



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Abstract

Research on the relationship amongst “HR practices” and perceived “project success” in project-based Pakistani organizations is stimulating. Islam deliberates on ethics as a vital factor in day to day life. This study builds direct and moderating hypotheses for the relationship between four selected HR practices (Employees Recruitment & Selection, Employees Training & Development, Employees Performance Appraisals and Employees Compensation System), “project success” (PS) and “Islamic Work Ethics” (IWE) in project-based Pakistani organizations. The hypotheses have been confirmed using survey data collected from “4” major cities of the country using cross sectional design. The findings suggest that less “ETD” all other three HR practices influence PS in project-based Pakistani organizations; moreover, they reveal moderating effects of IWE only on the relationship between practice of “Employees Recruitment & Selection” and PS as perceived by employees in the organizations. The significance, implications and limitations of results have also been deliberated for further research.

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1. Introduction

Project management and its relevant efficacies have gained focus of research in the past decade or so, mainly because of their importance as rewarding organizational activities in contemporary organizations [Kaulio, 2008](#). Since project management is a complex activity and concerns with the application of ideas, so accordingly “Project Management Body of Knowledge” (PMBOK) divides it into “42 processes” and “5 groups” as published by [Project Management Institute \(2008\)](#). Not surprisingly, a continuous quest is in progress by researchers around the globe to elaborate the concerned phenomena. Thus far, these researches have been least rewarding because in spite of a lot of research on ingredients of project success ([Judgev and](#)

[Muller, 2005](#)), the number of successful projects is alarmingly small ([Flyvbjerg et al., 2009](#)). The reason can be attributed to the fact that the basic constituents that institute the success of a project are flexible ([Judgev and Muller, 2005](#)) and cannot be numerated as guidelines in a standard template. These constituents of project success can be based on external or internal environments of concerned organizations, however, obvious categorization amongst these factors can be recognized on two types of successes related to projects and they are project success and success of project management ([Cooke-Davies, 2002](#)). Project success is related to attainment of strategic targets through pertinent businesses thereby is relevant to products or services of the organizations, whereas the success of management is the attainment of targets related to budget, quality and relevant conventional methods for the control of the project ([Müller and Turner, 2010](#)). These two broad classifications of project success evidently have one thing in common that is the all-important dependency on Human Resource (HR) because

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the former facet of success draws its strength from the latter. Furthermore, since “Employees Recruitment & Selection (ERS), Employees Training & Development (ETD), Employees Performance Appraisals (EPA), and Employees Compensation System (ECS)” along all other relevant issues involving any employee in an organization also clutch relation with project manager and his team so relevance of these HR practices with project success (PS) is obvious. Human resource management (HRM) practices are in vogue since decades and their effects in writing the success story of an organization was one of the favorite areas of researcher in past decade or so. Conclusions drawn from these researches generally consent that there is an affirmative connection of HR practices with an organizations’ recital (Dyer and Reeves, 1995; Guest et al., 2000). Relevant literature clarifies HRM as a practical approach to ensure presence of a prescribed structure within the frame work of an organization for appropriate factors like recruitment & selection, training & development, performance appraisal, career planning system, employee’s participation and compensation system (Masood, 2010). However in-spite of popularity and importance there is no consented definition of HRM which can be universally quoted or accepted, mainly because of the variance in approach or focus of scholars as per their individual perspective.

Taking Pakistani conditions and circumstances in view, the importance of project based organizations cannot be overlooked. Interestingly, HRM roles in emerging economy of Pakistan go back to early sixties when government concentrated on the institutional development. Lots of problems have been faced by the country during this development and accordingly the pace of improvement as regards the development of successful organizations has been surely slow. There can be many attributing factors for this slow pace but one factor can be lack of focus on giving due importance to Islamic Work Ethics (IWE) in Muslim country like Pakistan. Researchers have found that religious inspirations on HR practices are very significant but are a neglected area in research (Hashim, 2010). The inspirations of Islam in relation to HR practices in peculiar scenario of Pakistani project-based organizations are an area of interest where a lot can be done.

The people and organizations who want to do business in Pakistan such as multinational organizations can also benefit by reviewing the impacts of HR practices on project success with reference to effects of IWE (if any) in Pakistani project-based organizations, consequently, in this back drop this study was planned.

2. Literature review

2.1. Discussion on IVs, DVs and MVs

HRM appeared as methodical style of management in the later half of the last century (Armstrong, 2003). The core pivotal fields of HRM are precise values, thoughtful implementations of specific practices, extracting spirited roles of concerned executives and a collection of techniques for inculcating occupation related associations (Storey, 2007). Accordingly; in HRM filed the number of models and studies indicates an enriching connection

between effectiveness of HRM practices on organization performance. Many researchers found that spending on implementation of these practices ultimately assists in achievement of improved results in the context of organizations (Datta et al., 2003). Similarly, Wright et al. (2003) also opined that the success of an organization is related to the commitment of its employees. Since “organizational commitment” is a function of HR practices (Pfeffer, 1998) so evidently these HR practices have an association with project success in a project-based organization. Lim and Mohamed (1999) in their study suggest that “satisfaction” and “completion” are two essentials of project success. Pfeffer (1994) advocated that adoption of certain HR practices results in modifications of prevailing processes in the organizations and thus can improve the organization’s performance thereby leading them to success. Pfeffer included ERS, ETD and ECS in those practices. Huselid (1995) also supports the positive impact on organizational success by adoption of HR practices. His study describes the organizational success in the context of increments in profit percentages. Becker et al. (1995), in their famous study based on 740 firms, established an index of organizations’ HR system describing the extent to which an organization had installed the high performance work systems (HPWS), and observed that those organizations who were high in value on this index had economically and statistically greater levels of firm performance. Singh (2004) found that ERS, ETD, EPA and ECS are positively related with the success of the organization. On similar grounds, an interesting finding as consequence of a study by Fey and Bjorkman (2001) narrates that HR practices are effective for all types of employees in an organization and accordingly impact the final outcome of an organization. Wright et al. (2005) also found the positive influence of HR practices on organizational success. They based their findings on regression analysis and concluded that selected HR practices were positively related to the success of organizations. In back drop of afore-stated premise, it is evident that HR can be used for sustainable competitive advantage by organizations through adoption of HR practices and by this ensuring judicious employment of HR Barney and Wright, 1997.

In project management research it has also been established that PS is linked with the success of respective organizations (Cooke-Davies, 2002). In-spite of temporary nature of projects the project-based organizations do have permanent establishments such as “project management offices” and “portfolio groups” (Gareis, 2005). However, the viewpoint as regards HR practices in the project-based organization is relatively dubious in comparison to literature of general management, because HRM is toughly outlined in focus of larger organizations (Huemann et al., 2007). Projects are by definition unique and time-bound efforts (PMI, 2008), so requires more focused attention as regards HR. In-spite of the fact that “PMBOK” has a complete chapter published in recognition of importance of HR, the strategies in project-based organizations still require a lot of improvements. Accordingly, to achieve PS the foremost importance is of defining the management process in terms of projects and then apply processes to achieve success through HR (Gareis, 2010). Since, application of all these processes requires HR and thus the relevance of HR practices and PS

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