

**An Investigation on Critical Factors of
Human Resource Management and their
Impact on Perceived Construction
Project Success: Sri Lankan Perspective**

By

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Declaration of the Candidate

The work described in this thesis was carried out by me under the supervision of Professor B N F Warnakulasuriya and Dr. B J H Arachchige of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka and a report on this has not been submitted in whole or in part to any university or any other institution for another degree/diploma.

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Table of Contents

Table of Contents	i
List of Tables	ix
List of Figures	xi
Acknowledgement	xiii
ABSTRACT	xiv
CHAPTER	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Problem Statement	8
1.3. Problem Justification	8
1.4. Research Gaps	16
1.5. Specific Research Questions	17
1.6. Specific Research Objectives	17
1.7. Originality and Contribution of the Study	18
1.8. Scope of the Study	27
1.9. Organization of the Study/Thesis	30

CHAPTER 2	33
LITERATURE REVIEW	33
2.1. Significance of the Construction Industry	34
2.2. Nature of the Construction Industry and Products	35
2.3. People Challenge in the Construction Industry	39
2.3.1. Challenge of Human Capital Shortage	41
2.3.2. Challenge of Employee Productive Behaviour	45
2.4. Critical Success Factors of Construction Projects	48
2.5. HR Practices to Critical Success Factors of HRM	60
2.5.1. HR Practices	60
2.5.2. HR Practices and Firm-performance Relation	62
2.5.3. HR Practices – a Source of Sustainable Competitive Advantage or Competitive Parity	68
2.5.4. Critical Factors of HRM	71
2.5.5. Human Capital	76
2.5.6. Organizational Citizenship Behaviour	83
2.5.7. Employer Brand	91
2.5.8. Organizational Learning	97
2.5.9. Leadership Factor	101
2.5.10. Team Factor	110

2.5.11.	Organizational Communication	118
2.6.	Construction Project Success	126
2.6.1.	Construction Project Success Defined	127
2.6.2.	Dimensions of Construction Project Success	129
2.6.3.	Success Criteria	130
2.7.	Theoretical Foundation	141
2.7.1.	A Brief Overview of SHRM Theories	141
2.7.2.	Universalist, Contingency and Configurational Approaches	142
2.7.3.	Resource Based View	145
2.7.4.	Human Capital Theory	148
2.7.5.	Employer Branding Principles	151
2.7.6.	Behavioural Perspective	155
2.7.7.	Social Exchange Theory	157
2.8.	Summary	162

CHAPTER 3	166
RESEARCH METHODOLOGY	166
3.1. Ontological and Epistemological Considerations	166
3.2. Research Strategy	169
3.3. Hypotheses Development	170
3.4. Conceptual Framework	189
3.5. Operationalization of Variables	190
3.6. Research Method	200
3.6.1. The Nature of the Study	200
3.6.2. Type of Investigation	200
3.6.3. Extent of Researcher Interference	201
3.6.4. Time Horizon and Unit of Analysis	201
3.6.5. Data Gathering and Contact Method	201
3.6.6. Population and Sample	203
3.6.7. Validity and Reliability of the Measurement Scales	203
3.6.8. Sample Profile	211
3.6.9. Statistical Approach and Techniques for Data Analysis	214
3.7. Summary	220

CHAPTER 4	222
RESULTS	222
4.1 Initial Screening of Data	222
4.1.1. Descriptive Statistics	222
4.1.2. Testing Normality	223
4.1.3. Testing Linearity	230
4.1.4. Testing Outliers	231
4.1.5. Testing Colinearity	237
4.1.6. Testing Auto-correlation	239
4.1.7. Testing Homoscedasticity	239
4.2. Establishing Quality of the Measurement Model	240
4.2.1. Unidimensionality	240
4.2.2. Internal Consistency Reliability	242
4.2.3. Composite Reliability	243
4.2.4. Convergent Validity	243
4.2.5. Discriminat Validity	244
4.2.6. Multicollinearity	246
4.2.7. Measurement Model-fit	248
4.3. Assessing Quality of the Structural Model	249
4.4. Assessing Strengths of Paths, Total Effect (R ²) and Effect Size (f ²)	250

4.4.1. Strengths of the Direct Paths	250
4.4.2. Strengths of the Indirect Paths	252
4.4.3. Total Effect (R^2)	253
4.4.4. Effect Size (f^2)	254
4.5. Evaluation of Hypotheses	256
4.6. Summary	259
CHAPTER 5	261
DISCUSSION	261
5.1. The Major Findings and their Relation to the Literature	261
5.2. Impact of Human Capital on Perceived Construction Project Success	264
5.3. Impact of Organizational Citizenship Behaviour on Perceived Construction Project Success	265
5.4. Impact of Employer Brand and Organizational Learning on Human Capital	266
5.5. Impact of Organizational Communication, Team-factor and Transformational Leadership Behaviour on Organizational Citizenship Behaviour	268
5.6. Mediation Impact of Human Capital on the Relationship of Employer Brand and Organizational Learning to Perceived Construction Project Success	272

5.7.	Mediation Impact of Organizational Citizenship Behaviour on the Relationship of Team Factor, Transformational Leadership and Organizational Communication to Perceived Construction Project Success	273
5.8.	Achievement of Research Objectives and Filling Research Gaps	275
5.9.	Summary	277
	CHAPTER 6	279
	CONCLUSION	279
6.1.	Summary of the Main Text	279
6.2.	Statement on Achievement of Objectives	283
6.3.	Limitation of the Study	285
6.4.	Empirical Contribution	287
6.5.	Theoretical Contribution	289
6.6.	Future Research Direction	293
6.7.	Managerial Implication	295
	REFERENCES	
	APPENDICES	
	Appendix 1 – List of Publications and Communication from the Thesis	
	Appendix 2 – Questionnaire	
	Appendix 3 – Path Diagrams for Each Factor	

Appendix 4 – Sample Framework/Working Population

Appendix 5 – Descriptive Statistics

Appendix 6 – Item's Loadings and Significance

Appendix 7 – Cross Loading Statistics

List of Tables

Table 1.1:	Research Gaps	16
Table 2.1:	Critical Success Factors External to the Contractor Firms	55
Table 2.2:	Critical Success Factors Internal to the Contacting Firms	56
Table 2.3:	High Performance Work Practices	63
Table 2.4:	Development of the Notion of Human Capital	77
Table 2.5:	Human Capital Components/Criteria	79
Table 2.6:	Summary of the Literature on Success Criteria	136
Table 3.1:	Operationalization of Human Capital	191
Table 3.2:	Operationalization of Organizational Citizenship Behavior	192
Table 3.3:	Operationalization of Employer Brand	193
Table 3.4:	Operationalization of Organizational Learning	194
Table 3.5:	Operationalization of Organizational Communication	195
Table 3.6:	Operationalization of Team Factor	197
Table 3.7:	Operationalization of Transformational Leadership Behavior	198
Table 3.8:	Operationalization of Perceived Construction Project Success	199
Table 3.9:	KMO and Bartlett's Test of Sphericity	206
Table 3.10:	Dimensions and Items of the Instruments Before and After CFA	207
Table 3.11:	Cut-off Values for Model-fit Indices	209
Table 3.12:	Goodness-of-fit Statistics for the Final Scales	209
Table 3.13:	Reliability Statistics for Measures	211

Table 3.14:	Profile of the Sample Units/Projects	212
Table 3.15:	Profile of the Respondents	214
Table 4.1:	Cook's Distance/Residual Statistics	236
Table 4.2:	Correlations Among Variables	237
Table 4.3:	Colinearity Diagnostic Table	238
Table 4.4:	Model Summary Statistics	239
Table 4.5:	Reliability Statistics	242
Table 4.6:	Fornell-Larcker Criterion	245
Table 4.7:	Heterotrait-Monotrait Ratio	245
Table 4.8:	Multicollinearity Statistics	246
Table 4.9:	Measurement Model-fit-Bootstrapping Results	248
Table 4.10:	Structural Model-fit-Bootstrapping Results	249
Table 4.11:	Bootstrapping Results of Predicted Direct Paths	251
Table 4.12:	Significance and Strength of Predicted Direct Paths	252
Table 4.13:	Bootstrapping Results of Predicted Indirect Paths	252
Table 4.14:	Significance and Strengths of Predicted Indirect Paths	253
Table 4.15:	Bootstrapping Results for R^2	254
Table 4.16:	Total Effect, Significance and Variance of Endogenous Variables	254
Table 4.17:	Effect Size (f^2)	255
Table 4.18:	Evaluation of Hypotheses	257
Table 6.1:	Objectives, Findings and Achievement of Objectives	284

List of Figures

Figure 2.1:	Framework for Evaluating Construction Project Success	140
Figure 3.1:	Conceptual Framework	188
Figure 4.1:	Histogram and Q-Q Plot for Human Capital	224
Figure 4.2:	Histogram and Q-Q Plot for Perceived Construction Project Success	224
Figure 4.3:	Histogram and Q-Q Plot for Employer Brand	225
Figure 4.4:	Histogram and Q-Q Plot for Organizational Citizenship Behaviour	226
Figure 4.5:	Histogram and Q-Q Plot for Organizational Communication	226
Figure 4.6:	Histogram and Q-Q Plot for Team Factor	227
Figure 4.7:	Histogram and Q-Q Plot for Organizational Learning	228
Figure 4.8:	Histogram and Q-Q Plot for Leadership Factor	229
Figure 4.9:	Scatter-plots Matrix	231
Figure 4.10:	Box-plots for Human Capital	232
Figure 4.11:	Box-plots for Perceived Construction Project Success	232
Figure 4.12:	Box-plots for Employer Brand	233
Figure 4.13:	Box-plots for Organizational Citizenship Behaviour	233
Figure 4.14:	Box-plots for Organizational Communication	234
Figure 4.15:	Box-plots for Team Factor	234
Figure 4.16:	Box-plots for Organizational Learning	235
Figure 4.17:	Box-plots for Leadership Factor	235
Figure 4.18:	Scatter-plot for Residuals	239

Figure 4.19: Measurement Model After Removing Problematic Items	241
Figure 4.20: Final Structural Model	250
Figure 6.1: Proposed SHRM Framework	292

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ABSTRACT

Human Resource Management (HRM) and firm-performance relation has been a popular topic in Strategic Human Resource Management (SHRM) research. The construction industry is a multibillion business, which brings an immense value to many aspects of an economy. However, this industry had largely been neglected by the SHRM research. The people factor has drawn a less attention in project management in the context of construction industry. This study therefore, has focused on the impact of seven organizational level HR factors (human capital, organizational citizenship behaviour, employer brand, organizational learning, team-cohesiveness, transformational leadership and organizational communication), which can meet the fundamentals to be the real sources of sustainable competitive advantages on firm-performance in the construction project management context of Sri Lanka. This study is probably the first to integrate SHRM and Project Management knowledge domains and to provide a detailed theoretical and empirical analysis on the impact of critical HR factors on construction performance. The study has adopted a quantitative research strategy with a well-structured questionnaire, which was administered to the entire working population. Project managers who were directly responsible for the success of their respective projects were the respondents for the study and a sixty-six percent response rate was obtained. Partial Least Square Structural Equation Modeling (PLS-SEM) statistical approach and Smart PLS3 software were used for data analysis. Overall

results suggest that out of seven factors; only six factors (human capital, organizational citizenship behaviour, employer brand, organizational learning, team-cohesiveness, and organizational communication) have a significant positive impact on construction project success. Thus, these six HR factors are considered as critical factors of HRM in the context of construction industry. The present study introduces a theoretical framework, which was developed mainly based on the rationale of RBV for achieving construction project success. This framework has been empirically tested. Therefore, present study has contributed to SHRM theories, particularly to RBV. Future researchers can use this framework to establish robustly how HRM can be real sources of sustainable competitive advantages. This study has taken a major turn from the traditional wave of research in SHRM that focuses on HR practices and emphasizes that future SHRM research should focus on analyzing organizational level HR factors than traditional HR practices. This direction will have implications for both research and practice and will ensure much stronger link between HRM and firm-performance. This approach will be instrumental for HRM professionals to establish their position as a strategic partner. In addition, focusing on organizational level HR factors will lay a foundation to understand how an organization can be differentiated through the people factor.