

A PROJECT REPORT ON

Understanding Human Resource Management In The Construction Development Project

Submitted By:

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Goa Business School

Goa University

2021-2022

DECLARATION

I, the student of M.B.A part II of Goa Business School, Goa University, hereby declare that the project entitled “**Understanding Human resource management in the construction of a sustainable development project**” has been prepared by me towards partial fulfilment of the degree of Master of Business Administration under the guidance of my faculty guide Ms. Priyanka U. Naik, This project is neither in full nor in part has previously formed the basis for the award of any other degree of either this University or any other University.

Date

Place: Goa University

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TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. Gawas Rama**, MBA-HR (2nd Year) student of Goa Business School, Goa University, has successfully completed 16 weeks Internship Project with us from 7th January 2022 to 6th May 2022.

During his internship project with us, we found him sincere, hardworking and punctual.

We wish him success in future endeavor.

For Vishodhan Build well Pvt Ltd.

Shivam Arvind Amonkar
Director



ACKNOWLEDGEMENT

The success and final outcome of this project required a lot of guidance and assistance from many people and I am extremely privileged to have got this all along the completion of my project. All that I have done is only due to their supervision and assistance and I would not forget to thank them.

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Lastly, I would thank the Almighty who was a constant pillar of support in the form of my Parents, Family and Friends without whom this wouldn't be possible.

Name: Rama Vishwanath Gawas

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1. A brief note on the company – Vishodhan Build Well

Vishodhan Build Well Private Limited is a private incorporated on 16 March 2012. It is classified as Non- govt company. Its authorized authorized share capital is Rs 100000. It is involved in real estate activities on a fee or contract basis.

Vishodhan Build Well directors are Annapurna Arvind Amonkar, Gaurav Gokuldas Madgaonkar, shivam Arvind Amonkar. Services offered are Masonry Work, Earthwork Excavation, Painting, Mechanical and Electrical Services, RCC work, Interior Design, Fabrication, Roads and Bridges, Flooring and Waterproofing.

Company objectives-

- To repeatedly ensure high quality and customer satisfaction that exceeds customer expectations.
- To always observe punctuality in meeting customers deadline.
- To communicate key benefits and losses on different alternative decisions of the customer.
- To always strive to reduce cost and maximize customer benefits
- To constantly improve customer service and product quality

2. A brief note on strategic analysis

2.1 PESTEL Analysis of Construction Industry In India

A PESTEL analysis framework will help us to analyze the key factors influencing an organization from the outside. It offers people professional's insight into the external factors impacting their organization.

The organization environment is made from various factors mainly: Political, Economic, Sociological, Technological, Legal and Environmental.

1. Political

- Current government has launched “Housing for all by 2022” scheme being pushed by Prime Minister Narendra Modi to provide housing to urban poor. The scheme ensures rehabilitation of slum dwellers with participation of private developers
- Introduction of MAKE IN INDIA program by government is attracting foreign companies and investors to invest in Indian economy which is great opportunity for India construction industry in future.
- The government has clarified in case of construction of residential complex that service tax would be payable only on the gross amount charged by the service provider for the construction service provided and it would not include the cost of land and stamp duty paid for registration of land.

2. Economic Factors

- India is witnessing tremendous growth and expansion of construction activities and construction is the largest component of GDP, around 11% of GDP includes construction industry. It has been growing at a rate over 10% in the past few years when GDP was around 8%
- Changes in the demand due to factors like changes in disposable income of perspective buyers and inflation can directly affect construction industry. With easy availability of housing loans and tax redemption on loans the demand for houses is increasing and thus construction is gaining weight

3. Social Factors

- Brand name of the company plays an important role while convincing the buyer to buy the house and be sure of the quality of construction work done. A low credibility or image can lead to poor financial performance.

- As the builders are planning and developing ‘Green Building Projects’. A green building is one which uses less water, optimizes energy efficiency, conserves natural resources, generates less waste and provides healthier environmental for people.

4. Technological Factors

- Technology plays an important role in construction sector as use of low grade technology will lead to low value addition and low productivity apart from sub standard quality of construction and time over runs in projects. Due to lack of technology, construction can suffer in terms of quality and design.
- Last few years many new technologies and techniques are introduced and adopted in the field of construction as well as various trends are also seen in designs and structures.

5. Environmental Factors

- Various environmental factors affect the cost of construction like availability of labour force, distance of construction from raw material which is basically transportation cost, quality and cost of land and demand.
- Uncertain environmental hazards like earthquakes, floods etc. have a disastrous impact on the construction industry and can delay construction as well. This been witnessed during the construction of metro line in the capital of India, New Delhi where one of the railway lines being constructed collapsed due to heavy rainfall and delayed the total completion time of metro.

6. Legal factors

- Over the years, the tax, legal and commercial authorities have become more organized and vigilant resulting in need for the players to become effective and transparent.
- The Finance Act, 2005 has, however, with effect from 16 June 2005, brought Construction of residential complex having more than twelve residential units or apartments within the ambit of service tax.

2.2 Porters five force model for Construction Industry:

This model will provide us simple step for accessing and calculating the position and competitive strength of the organization.

1. Rivalry among existing competitors (high)

- Rivalry is strong because of large no. of construction companies operating in India (250 in total) and difficult to differentiate.
- The services offered by real estate companies cannot be differentiated because these firms don't offer a product, other than the facilities they lease and this itself is very difficult to quantify.
- High competition in cases of road construction, housing and urban infrastructure development. Relatively less competition in airport and port development.

2. Threat of new entrance (high)

- As there are 60000 registered participants, it is hard to conclude that barriers to entry are high. Although the number of entrants varies over time and according to market condition.
- No special legal authority is needed to enter the industry. That is why many non-property companies find it relatively easy to migrate into this industry as and when return become attractive or simple out of interest.
- Designs, names and concepts can all be copied as there is less ability to protect these through patents or copyright. People such as agents, consultants property managers and employees of rivals can be hired.
- Capital can be considered a barrier to some extent but mostly to large scale projects. The minimum amount of capital is needed to enter the industry is compared to the likes of steel bars, cement and other raw material

3. Bargaining power of buyers (low)

- Bargaining power of buyers is not high due to large demand and large number of buyers.
- Cost incurred in construction is also almost same but this cost varies from the quality of construction and area of land used.

4. Bargaining power of suppliers (high)

- As constructive industry is facing several problems in supplies as shortage of labour, constant rise in prices of various raw materials required in construction and due to large number of construction companies as compared to raw material providing companies.
- An important category of suppliers is bank. They have power to decide whether to fund a venture or not and at what rate banks have now become highly conservative especially after the economic downtown.

5. Threat of substitute (low)

- Real estate development involves different types of products- residential office, retail and industrial being the most common. To narrow the scope of discussion, we will just consider private residential construction. As accommodation, new private housing from any firm can be replaced by competitive product from another developer, existing private housing for sale or rent, social housing either for sale or rent. But these are not close substitute as people prefer to have their own house of flat.

2.3 SWOT ANALYSIS

SWOT analysis helps us for auditing the overall strategic position of a business and its environment. SWOT Strength, Weakness, Opportunities and Threats

- **Strengths:**

- I. Strong brand portfolio
- II. Vishodhan Known for its punctuality in meeting customers deadline
- III. High level of customer satisfaction
- IV. It has around 10 years of operational experience which gives it a huge advantage over its competitors

- **Weaknesses**

- I. Online presence about the company is very less
- II. Slow technology adoption speed

- **Opportunities**

- I. Opening up of new market because of government agreement
- II. It can do social media branding to increase its global brand awareness.

- **Threats**

- I. Intense competition as stable profitability has increased of players.
- II. New technologies developed by the competitor or market disrupter could be a serious threat.
- III. Shortage of skilled workforce.
- IV. Rising raw material can pose threat to Vishodhan Build Well

2.4 VRIN Analysis

VRIN analysis is a strategic tool which helps our organization to uncover and protect the resources and capabilities that give a long-term competitive advantage. VRIN stands for

Valuable, Rare, Imitable and Non-substitutable resources which covers identification of all the potential key resources.

Resource or Capability	Valuable	Rare	Inimitable	Non-Substitutable	Competitive advantage
Human Resource	Yes	No	No	No	Long term competitive advantage
Assets	Yes	No	No	No	Temporary advantage
Technology	Yes	No	No	No	Strong competitive advantage
Suppliers	Yes	No	No	No	Strong competitive advantage
Brand Value	Yes	Yes	No	No	Strong competitive advantage
Organization	Yes	No	No	No	Long term competitive advantage

3. Project Questions

1. Are the contractors aware about HRM ?
2. Should there be improvement in HRM to increase effectiveness ?
3. What are the different aspects of improvement to ensure effectiveness of HRM ?

4. Project Methodology

I have prepared a list of questions to be asked in personal interview with respondents and they have been formed after discussion with the officials from Vishodhan Build Well(VBW), these questions will give us enough information regarding requirement and improvements required in HRM of Vishodhan Build Well.

For this survey I have selected the existing contractors and the former contractors as the respondents. In the survey I have visited and interviewed 10 contractors . The interview questions were divided into three sections : General information, Problems of HRM in the construction and Methods to improve HRM. The reason of data collection was to generate information regarding HRM at the construction site of VBW. The data collection was conducted using qualitative research which are based on the objectives.

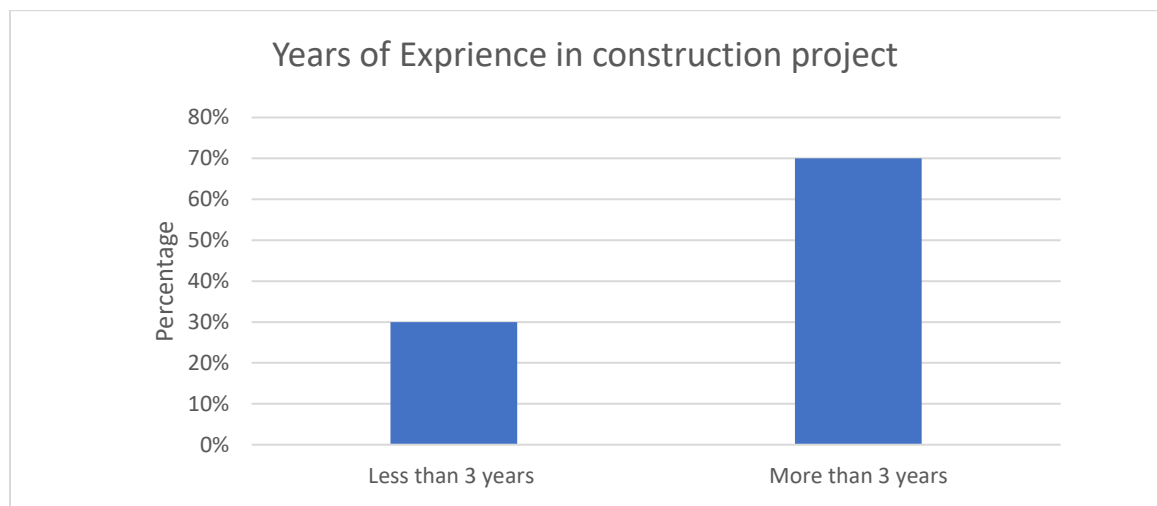
5. Project Objectives

- To identify HRM as one of the key aspects in the success of constructing a sustainable project.
- To identify the problems/issues of human resource in the construction of development project and find the methods to improve it.

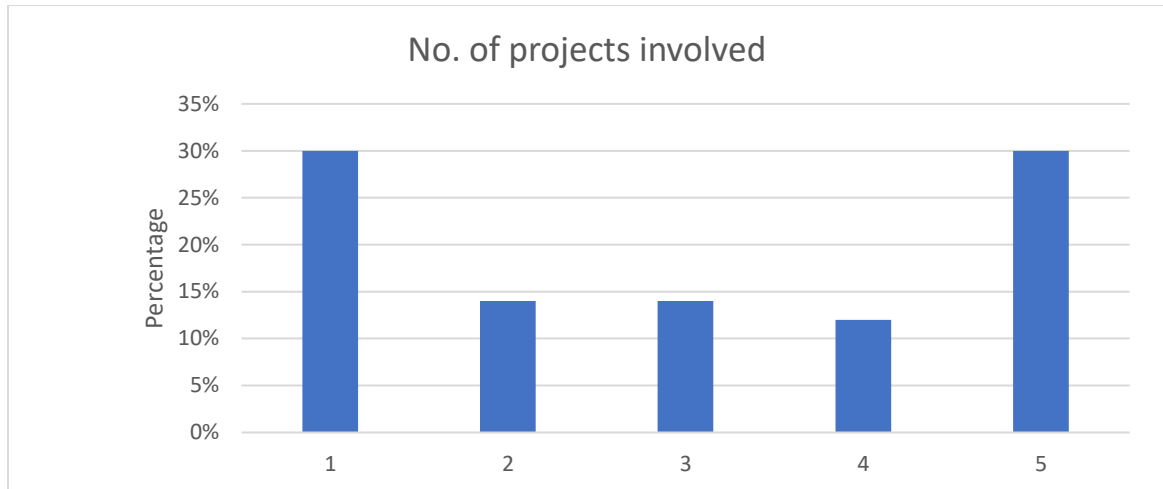
6. Data Analysis

6.1 General information

Contractors years of experience in the construction of sustainable development projects directly reflects the reliability and accuracy of the feedback received. So further I divided the respondents into two groups based on there experience, the groups that had less the 3 years of experience and the group which had more than 3 years of experience in construction projects. The group which had less than 3 years of experience is 30% and can be considered as young contractors or young engineers while the other group which is 70% could be considered more senior in construction projects.



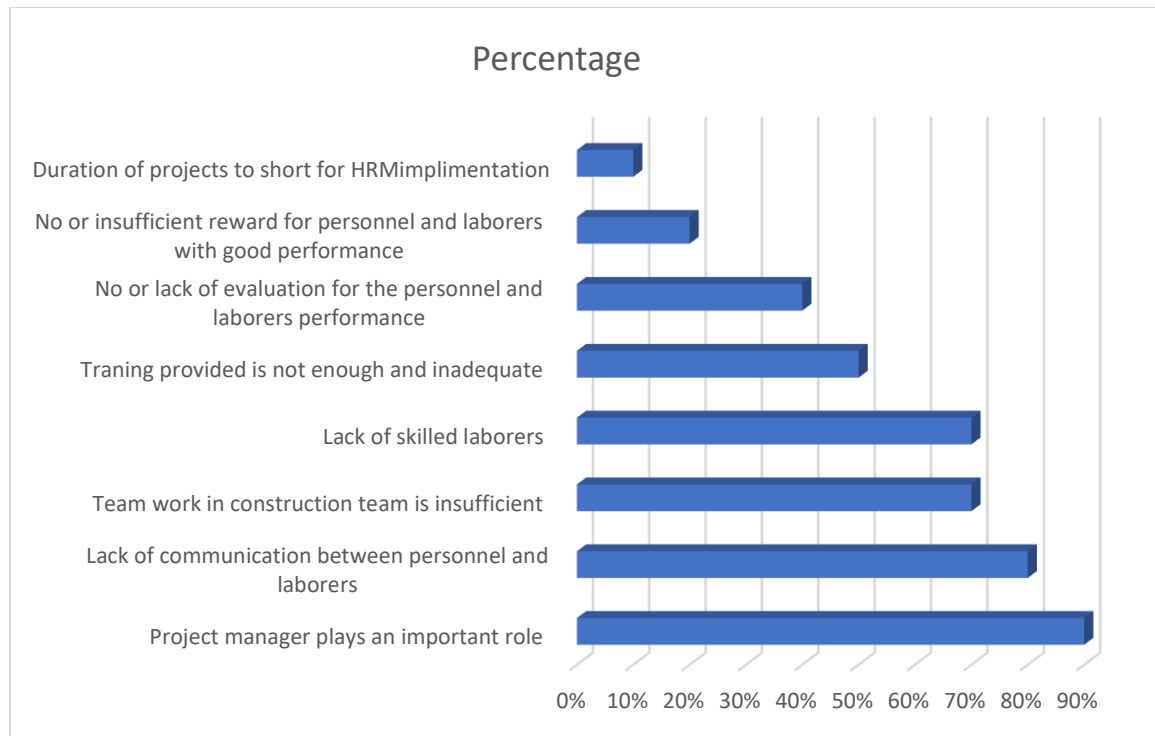
In order to add validity to the response number of projects that the contractors had been involved is taken into account. As it is found out that there was no contractor involved in only in one project. The percentage for the contractors that had been involved in more than 5 projects is 30%, same percentage as the contractors involved in two projects.



With that in general information section, the contractors were asked whether the HRM is important for the success of construction of the development project. Feedback of all contractors was positive, as they all agreed that HRM was important for the success of construction project.

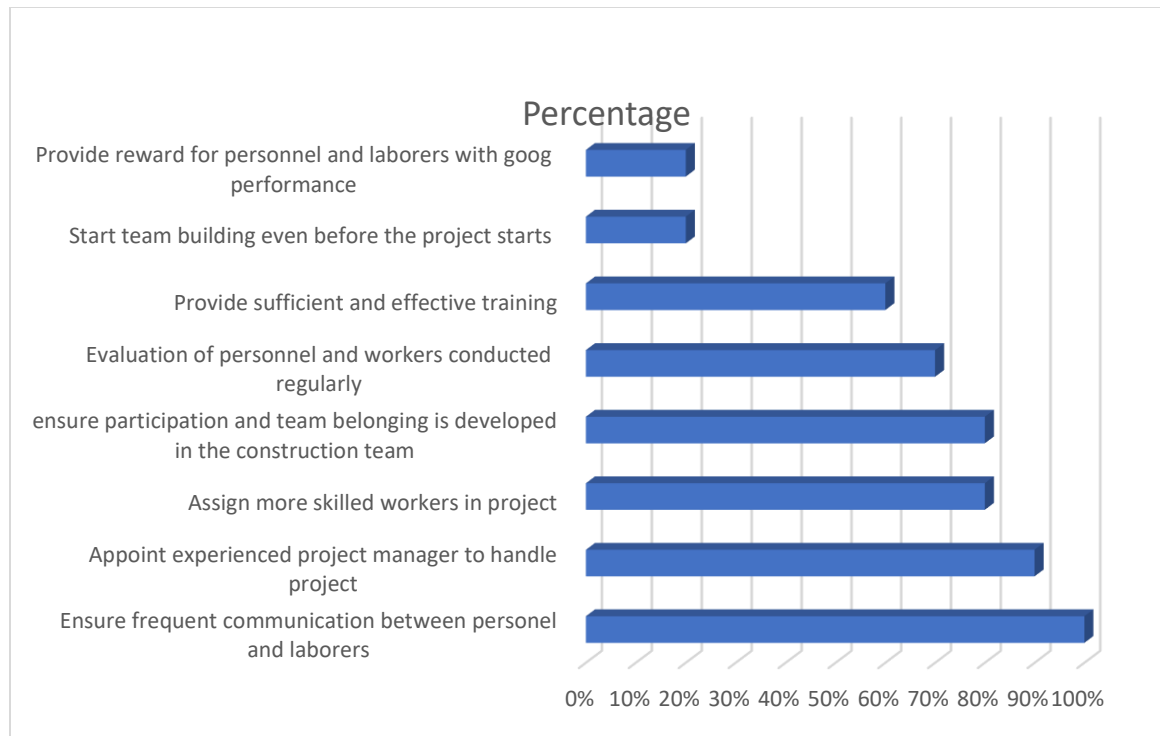
6.2 Problems of Human Resource Management in the construction of a development project.

In higher percentage of respondents agreed that project managers should play their role implementing HRM to their subordinates. Whereas insufficient duration of project for implementation of HRM got the lowest percentage. This problem can be insignificant because of the mindset that in order to execute HRM it requires long period of time instead of short period of time. Lack of communication got the second highest percentage. As communication plays an important role when it comes to HRM which can be very crucial in the construction project, if the communication between the staff and workers is not properly implemented then the flow of information from top to the subordinates will not be achieved smoothly. At third it is found out that there is low teamwork at the construction whether it be with contractors and sub-contractor or sub-contractors and labors. Lack of team work can lead to disagreement and even worse, can affect the performance at construction project. Same way third, forth and fifth were lack of skilled laborers, inadequate training and lack of evaluation and rewards.



6.3 Methods to improve Human Resource Management in the construction of a project.

Majority of respondents agreed that frequent communication between personnel and laborers would improve HRM. Enhanced communication among the managers, engineers, consultants, contractors, supervisors, foremen and laborers can lead to handling any matter regarding progress of the project with effectively and systematically manner. Second highest percentage is appointing an experienced or well-trained project manager to handle project. Proper assigning of skilled workers was also considered important in projects. When the skilled workers are assigned the work on site will progress better. Whereas it is being understood that reward to personnel and laborer with good performance seems to be less effective to the people as it is at the lowest. It can be because it gets very difficult to decide the bases of evaluation of the performance of workers at any construction site. Same way providing effective training and starting of team building before the project starts is at sixth and seventh.



7. Project findings

I. General information

- Almost $\frac{3}{4}$ which is 70% of the contractors have more than 3 years of experience which means the reliability of the responses is higher.
- 30% of the contractors were involved in more than 5 projects whereas same percentage of contractors were involved in 2 projects.
- No contractor was involved in less than one project.

II. Problems of human resource management in construction

- We saw with percentage of 90% responded that the project manager plays an important role
- Also been found lack of communication with 80%
- As the lack of communication lead to insufficient team work with 70%

- With 50% it is found that the inadequate training was one of the factors
- Very few with lack of performance evaluation, rewards and duration of project

III. Methods to improve human resource management in the construction project

- Most of the contractors feels frequent communication between personnel and laborers with improve the HRM
- Also there is a need to appoint an experienced project manager who will be focused toward enhancing HRM
- Majority of skilled worker should be assigned and if not then proper training should be given.
- Also its been found that there is need of evaluation to be conducted regularly

8. Conclusion

After studying all the above parameters, it can be concluded that HRM in construction of development project time to time improvement in order to increase the effectiveness. Based on the survey and interview I believe that the contractors in Vishodhan Build Well are aware of HRM in construction. However, in order to ensure effectiveness of HRM, improvement in many aspects is highly needed in VBW. The first objective of this study which was to determine HRM as one of the key aspects for the success of the construction of a project had been achieved. As all the contractors in survey and interview had agreed that HRM very important for the success of a construction project. The second objective to identify the problems had also been achieved. As the respondents have given their different opinions and views on the topic. If Vishodhan Build Well wants to effectiveness and efficiency of their projects then they should focus on developing highly efficient HRM practices.

9. Recommendation to the company

As I have studied few possible issues, with regards to human resource management, I would like to recommend following suggestion which can be implement to solve these issues.

- HRM should more focused on communication and team work, as the key to success in the construction of project is team work, with an inbuild mechanism for communication from everyone it should flow from top to bottom and from bottom to top.
- Secondly if it gets difficult to get skilled workers then adequate training should be given to the existing unskilled workers so that it will help the organization as well as their personnel development.
- As it is a small organization getting a well experienced project manager will be very important.
- If we see there is lack of evaluation and reward system at many construction organizations so here it is required to bring in proper evaluation system.

10. Learning Derived

Vishodhan Build Well being a small construction company carries out a lot of work which have inspired me, I have learned a lot, some of the learnings are as follows:

- Communication flow from higher management to labors is the key to achieve and enhance productivity.
- HR's job in a Construction firm is not limited to 8-9 hours of work it is a 24/7 hours job, where even if you are on a leave you will get continues calls where you have to handle everything from home.

- In an organizational environment people are tough to manage, you'll need lots of patience and convincing skills to succeed.
- Time management – at the start of my internship I faced a lot of problem managing my time I used to get frustrated but after some weeks I started slowly managing it and soon the laziness of delaying work was stopped.
- During my 4 months of internship I learned and performed various task related to PF for example e-nomination, withdrawal, creating new accounts, combining or migrating two accounts to single account and various other day to day tasks like completing attendance book, filling, etc.

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Annexure

These were the questions which were asked during an interview

1. Number of years of experience in construction company.
2. Number of project had been involved in.
3. Is HRM important for the success of construction project.
4. Do you feel HRM of your organization needs improvement ?
5. Do you think project manager plays an important role?
6. Is one of the reason of issues in HRM is lack of communication between personnel and laborers?
7. Do you feel teamwork in construction firm is insufficient?
8. Can lack of skilled laborers be one of the reason?
9. Is there any training provided? if yes than weather it is enough?
10. Do you believe that lack of evaluation can be a reason for issues in HRM?
11. Do you think duration of projects too short for HRM implementation?
12. What do you think are the methods which will solve the above mentioned issues/problems with the HRM?