Construction Industry and HR Audit
Could it Support the Organizational Objectives and Strategies?
A Case Study from the Egyptian Market

Adel Mahmoud Al Samman

College of Administrative Sciences, Applied Science University, P.O. Box 5055, Kingdom of Bahrain

Abstract

It is a usual thing for construction companies to have multiple projects progressing in synchronization with each other and covering multiple geographical locations. With such nature of work, the burden on the HR department gets heavier than usual in assuring that the department, with its diversified activities and locations, is linked to the top strategies and objectives of the business. This is a case study of a construction company human resource function in an endeavor to link such function with the overall business objectives and strategies. To achieve this, there would be an analysis and evaluation of the dominant organizational culture, and a use of the Human Resource Audit tool to make a detailed assessment of the current human resource function situation. By doing so, results obtained by both analyses are used as a guideline in developing a model of human resource department's strategies and plans oriented with the overall business' objectives and strategies. The design chosen for this research is the Case Study that would point out the issues of concern within the company, and hence, use the findings in achieving the objectives.

Keywords: HR Audit, Strategic HR Management, Organizational Culture, Construction Industry, HR Practices.

1- Introduction
1-1 Case Background

Some years ago, the researcher was hired by the concerned construction company as a HR Manager for some period of time and left the company. The researcher, therefor, got familiar with some problems within the company related to the HR functional areas. The researcher found it a good opportunity for using the company as his research case study, and in the meantime, he could provide some help probing the reasons for the problems and trying to afford some practical solutions that would benefit the company's management, to include HR professionals, enhance the functional effectiveness of the department.

Senior managers of the company were approached with the idea, and they were more than welcoming to co-operate for the interests of both parties involved. Several meetings were held at the company premises to arrange for the course of the project and the steps to be adopted in each phase, in a way that would not negatively affect the work in progress.

By doing so, the researcher would have both parts in the project, on one side he would have the necessary internal knowledge of the company ways of doing business and the courses of information, and on the other side he was an outsider to them, which would provide a very important side of such projects, which is objectivity.

To protect the business interests and ensure confidentiality, no individual names will be mentioned, and the organization will only be referred to as "Ideal Construction". Some of the Company specific data will be disguised, so that it cannot be identified at a later stage.

2- Theoretical Review
2-1 Human Resource Management in construction companies
2-1-1 Background

The construction industry accounts for a sizeable proportion of worldwide economic activity. Productivity and profitability increases within construction would therefore have substantive benefits to the broader global economy. (Loosemore, Dainty, and Lingard- 2003). In recent years, there has been a wide spread realization that construction must improve its HRM performance before it can improve its efficiency, productivity, and cost effectiveness. In the UK for example, successive government-initiated reports have recommended action on improving the management of people as the cornerstone of strengthening its business and management practices (Latham 1994; Egan 1998). However, despite widespread calls for improvement and warnings that to avoid action will threaten the future competitiveness of the industry, the perception remains that HRM is a peripheral function which has a tenuous relationship with business success. (Loosemore, Dainty, and Lingard- 2003)

2-1-2 HRM in Construction Industry

A lot of management and HR literature dealt with the relation between the organization's performance and its strategic HR management. But information of application was so rare in regards to the construction industry. One of the most famous studies that dealt with such relation is that of Sheppeck and Militello (2000). Their

findings included that as the configurations of HR are established, they serve as a guide to the behavior of employees and they get attached with the various levels of the organization's effectiveness. Furthermore, they mentioned other studies where practices of HRM in use with other strategies of business worked on reducing turnover rates of employees (Wright et al. 1996, Arthur 1994, MacDuffie 1995) in addition to better financial performance (Huselid 1998).

Just like other industries, construction implemented programs of Strategic Human Resource Management. Study of Ferris et al (1990) discovered that construction organizations that obtain higher levels of strategic planning, to include HR, achieved better performance, to include better productivity, better effectiveness of loss, and better overall efficiency. In most construction organizations, Maloney (1997) found out that human resource strategies usually receive the least formalized consideration: "There is a very strong tendency to do what everyone else does, or simply, to continue using emergent -rather than deliberate- strategies that have evolved over time." Strategic planning according to Maloney's definition is the process where organizational objectives are developed and the required actions to achieve such objectives are identified.

To carry out those actions, the allocation of resources must be on the top of the process. Human resources and their processes are in the heart of competitive advantage of any organization, no matter what business it might be in. And as Gratton et al. (1999) pointed out "people policies, procedures, and processes which serve to train, develop, and retain" are the sources of the entire portfolio of their motivations and skills. To create solid ties between strategies of business and HRM, the emphasis should be on measures and metrics that evaluate all sides of the business strategy, and not only the financial targets. Organizations can only achieve the sustained competitive advantage with HRM practices' effective systems that, as Huselid (1998) indicated "simultaneously exploit the potential for complementarities or synergies among such practices and help to implement a firm's competitive strategy".

Organizations' objectives an goals, represented in the Human Resource Management's strategy, require metrics and measures to facilitate the implementation of such strategy in an effective way. CCIS (Center for Construction Industry Studies) of the University of Texas (UT), in cooperation with CII (Construction Industry Institute) have established the metrics that frame the fundamentals for the strategy of a construction workforce management. It consists of two tier approach of two strategies: the first tier was developed by CCIS, while the second was developed by CII.

2-1-3 HRM Practices for the Project-Oriented Company
What HRM practices would we expect to observe in a project- oriented company? Huselid (1995) suggests that we expect to see a number of practices including the following:
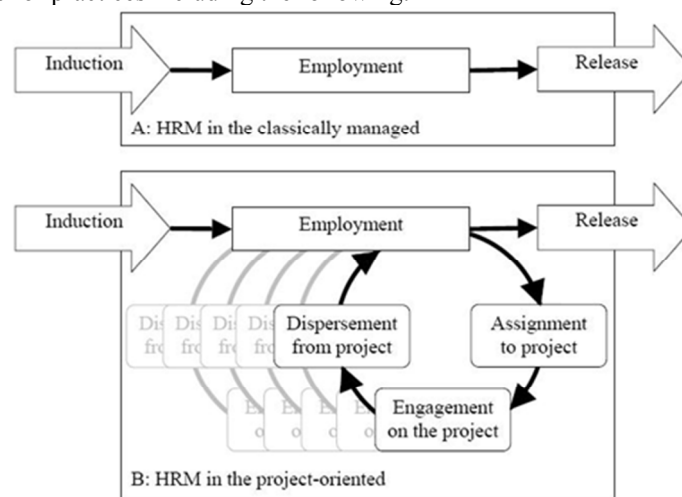

Figure- 1: HRM in project- oriented companies - J Rodney Turner, Martina Huemann, and Anne Keegan, (2007)

Normally, we expect these practices to be applied differently in the POC than in the classically managed organization, to deal with:
- the temporary nature of the work processes and the dynamic nature of the work environment they create
- the multi-role demands of the project portfolio
- the management paradigm of management by projects and specific competencies it creates
  We also expect to see these practices repeated for and in the temporary organization that is the project:
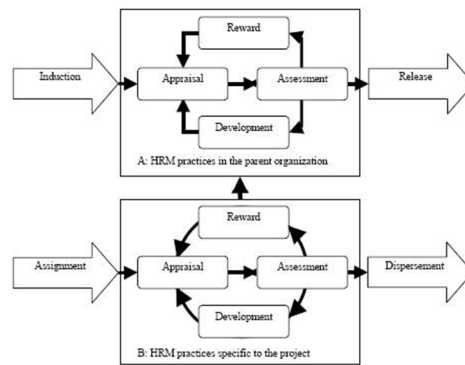
Figure- 2: HRM practices in project- oriented companies - J Rodney Turner, Martina Huemann, and Anne Keegan (2007)

2-2 Human Resource Audit and Accounting
2-2-1 What is the Human Resource Audit Process?
The Human resource (HR) Audit is a process of examining policies, procedures, documentation, systems, and practices with respect to an organization's HR functions. The purpose of the audit is to reveal the strengths and weaknesses in the nonprofit's human resource system, and any issues needing resolution. The audit works best when the focus is on analyzing and improving the HR function in the organization.

The audit itself is a diagnostic tool, not a prescriptive instrument. It will help you identify what you are missing or need to improve, but it can't tell you what you need to do to address these issues. It is most useful when an organization is ready to act on the findings, and to evolve its HR function to a level where its full potential to support the organization's mission and objectives can be realized (ÓLa Piana Associates, Inc. 2002).

2-2-2 Purpose of a Human resource Audit
The methodology that drives this audit is based on four key principles advocated by a leading HR consultant and teacher, Dave Ulrich and his associates in the USA.

Their cutting edge research and consulting work has shown time and again that worthy HR professionals ensure that:
1. Line manager friendly systems, and procedures are available to help management execute their people management role (i.e. the technical-professional and service role of HR);
2. Line management are equipped to work within the various labor relations laws and codes of conduct that govern the relationship between labor and management in the workplace (the compliance role of HR);
3. Each Business Unit has an overall people management (HR) strategy in place that increases the value of employees to the business (the strategic role of human resource); HR systems and procedures are run at optimal cost (financial management role of human resource). Please do not read optimal as lowest cost, but as the right price for the job on hand.

2-2-3 Why conduct an audit?
Nankervis et al. (1993:514) state if HRM wants to become managerial in its operations, then it will have to account for its activities in the same way as other managers, and use a 'value-based, capital investment approach to HRM decisions'. CCH (1987:422) states the purpose of an HR audit is to make an objective assessment of its current strengths and weaknesses. It is like taking a 'snapshot' of the organization and such snapshots should be taken regularly. Nankervis et al. (1993:531) further explain that the `HR audit can enhance the professionalism of the HR function and demonstrate its specific contributions to organizational effectiveness, productivity and profitability'.

2-2-4 Approaches to HR Auditing
Evolution of HR auditing in recent decades suspended its traditional role of just a control instrument, to become a necessary tool for decision making in matters related to human resources based on the global objectives of the organization. This resulted in the fact that all HR auditing competencies and functions have been expanded tremendously. Walker (1998) differentiated between two approached in regards to HR auditing, the internal centered functions, and the external ones.

From the internal perspective, just like the case with any other staff function, the trend is to value its actions as a result of the undertaken activities, and the cost of it of course. Hence, capability of the department could be measured by its ability to provide specific services to the organization at the lowest possible costs. Under such perspective, the used operational measurements are the ones referring to quality, quantity, and reliability, or simply cost and speed, so focusing on activities, costs, or productivity rations.

From an external perspective, if it is understood that the ultimate appraisal of the effectiveness of HR is

based on their impact on the company's results, then the measurements should include results obtained outside the function.

Another well-known classification of HR audit approaches, which is used to structure the present work, is the difference between three focuses, which are the legal audit of performance or conformity, the operative or efficacy-based audit, and the strategic audit.

2-2-5 The Strategic Audit Approach

HR analysis, according to Nevado (1998) should include the alignment of personnel policies and procedures with the strategic objectives of strategies of the organization. In this regards, HR strategies should be translated into programs and plans. So, we have a new aspect of HR audit, which is the strategic one. As defined by Dolan, Schuler, and Valle (1999, p. 390), this aspect is "the evaluation of the adaptation of the HR policies and practices in their support of the company's general strategy".

This aspect of HR audit, the strategic one, helps confirm the alignment of HR programs with long term objectives of the organization, thus, the function itself of HRM is a source of competitive advantage, not a cost center to the organization. By so doing, whoever is evaluating this should identify the organization's objectives and strategies first, and then design the policies that would support such objectives and strategies. Hence, the HR practices that are in use should be adjusted accordingly, being compared to the policies, to better align with the organization's strategies.

Sear and other companies developed and applied an employee –client- benefit model illustrates such alignment between the business and the human resource measures. As the effect of specific actions of the results incurred is not always clear, we find that such alignment approach yields greater challenges. Usually, human resource professionals prefer to adopt the easier way of looking inside, instead of connecting their results to the organizational measures. HR professional should not walk the easy way and dig hard to identify the keys to their businesses and actions applied on people that are related to them.

2-3 Strategic Human Resource Management

2-3-1 Strategic management

The word 'strategy', deriving from the Greek noun strategus, meaning 'commander in chief', was first used in the English language in 1656. The development and usage of the word suggests that it is composed of stratos (army) and agein (to lead). In a management context, the word 'strategy' has now replaced the more traditional term – 'long-term planning' – to denote a specific pattern of decisions and actions.

2-3-2 Corporate-level strategy

Corporate-level strategy describes a corporation's overall direction in terms of its general philosophy towards the growth and the management of its various business units. Such strategies determine the types of business a corporation wants to be involved in and what business units should be acquired, modified or sold. This strategy addresses the question, 'What business are we in?' (Bratton and Gold 2007).

2-3-3 Business-level strategy

Business-level strategy deals with decisions and actions pertaining to each business unit, the main objective of a business-level strategy being to make the unit more competitive in its marketplace. This level of strategy addresses the question, 'How do we compete?' Although business-level strategy is guided by 'upstream', corporate-level strategy, business unit management must craft a strategy that is appropriate for its own operating situation. In the 1980s, Porter (1980, 1985) made a significant contribution to our understanding of business strategy by formulating a framework that described three competitive strategies (Bratton and Gold 2007).

2-3-4 Functional-level strategy

Functional-level strategy pertains to the major functional operations within the business unit, including research and development, marketing, manufacturing, finance and HR. This strategy level is typically primarily concerned with maximizing resource productivity and addresses the question, 'How do we support the business-level competitive strategy?' (Bratton and Gold 2007). Consistent with this, at the functional level, HRM policies and practices support the business strategy goals.

2-3-5 Strategic human resource management

The SHRM literature is rooted in 'manpower' (sic) planning, but it was the work of influential management gurus (for example Ouchi, 1981; Peters & Waterman, 1982), affirming the importance of the effective management of people as a source of competitive advantage, that encouraged academics to develop frameworks emphasizing the strategic role of the HR function (for example Beer et al., 1985; Fombrun et al., 1984) and attaching the prefix 'strategic' to the term 'human resource management'.

Interest among academics and practitioners in linking the strategy concept to HRM can be explained from both the 'rational choice' and the 'constituency-based' perspective. There is a managerial logic in focusing attention on people's skills and intellectual assets to provide a major competitive advantage when technological superiority, even once achieved, will quickly erode (Barney, 1991; Pfeffer, 1994, 1998a).

From a 'constituency-based' perspective, it is argued that HR academics and HR practitioners have

embraced SHRM as a means of securing greater respect for HRM as a field of study and, in the case of HR managers, of appearing more 'strategic', thereby enhancing their status within organizations (Bamberger & Meshoulam, 2000; Pfeffer & Salancik, 1977; Powell & DiMaggio, 1991; Purcell & Ahlstrand, 1994; Whipp, 1999).

2-3-6 A strategic human resource planning model
There is no single approach to developing a Human resource Strategy. The specific approach will vary from one organization to another. Even so, an excellent approach towards an HR Strategic Management System is evident in the model presented below. This approach identifies six specific steps in developing an HR Strategy:-

1. Setting the strategic direction
2. Designing the Human Resource Management System
3. Planning the total workforce
4. Generating the required human resource
5. Investing in human resource development and performance
6. Assessing and sustaining organizational competence and performance

The six broad interconnected components of this system consist of three planning steps and three execution steps. The top three components represent the need for planning. Organizations must determine their strategic direction and the outcomes they seek. This is usually accomplished with some form of strategic planning. Classic strategic planning is a formal, top-down, staff-driven process. When done well, it is workable at a time when external change occurs at a more measured pace.

2-4 Organizational Culture
A culture is the way we do things around here. Organizational culture has a number of basic elements that provide a guide to what is important, what attitudes are appropriate, and how to behave within an organization.

These elements are beliefs, values, assumptions, attitudes, and behavioral norms (shared expectations). An organizational learning culture was defined as the existence of a set of attitudes, values and practices with in an organization which support and encourage a continuing process of learning for the organization and/or its member

Organizational culture is the collective behavior of people using common corporate vision, goals, shared values, beliefs, habits, working language, systems, and symbols. It is interwoven with processes, technologies, learning and significant events. In addition, different individuals bring to the workplace their own uniqueness, knowledge, and ethnic culture. So corporate culture encompasses moral, social, and behavioral norms of your organization based on the values, beliefs, attitudes, and priorities of its members.

- Elements of organizational culture may include:
- Stated and unstated values.
- Overt and implicit expectations for member behavior.
- Customs and rituals.
- Stories and myths about the history of the group.
- Shop talk—typical language used in and about the group.
- Climate—the feelings evoked by the way members interact with each other, with outsiders, and with their environment, including the physical space they occupy.
Metaphors and symbols—may be unconscious but can be found embodied in other cultural elements.

3- Research Methodology
3-1   Research Problem
It is a usual thing for construction companies to have multiple projects progressing in synchronization with each other and covering multiple geographical locations. With such nature of work, the burden on the HR department gets heavier than usual in assuring that the department, with its diversified activities and locations, is linked to the top strategies and objectives of the business.

This is a case study of a construction company human resource function, in an endeavor to link such function with the overall business objectives and strategies. To achieve this, there should have been an analysis and evaluation of the dominant organizational culture, and the use of the Human Resource Audit tool to make a detailed assessment of the current human resource function situation.

By doing so, results obtained by both analyses are used as a guideline in developing a model of human resource department's strategies and plans oriented with the overall business' objectives and strategies.

3-2   Research Objectives:
This study aims at achieving the following objectives:
1- Evaluate the perception of the human resource function in the organization.

2- Analyze the dominant organizational culture to determine to which extent it affects the problems complained about from the company.

3- Conduct a Human Resource Audit within the organization to highlight the strong and weak sides of the function.

4- Develop a model, based on both mentioned items, to link the human resource strategies and plans to the business objectives and strategies.

3-3   Research Propositions:

This research assumes the following assumptions:

1- There is a substantial relationship between the organizational culture prevailing in the organization and perceiving human resource function, either as a cost center or a value adding one.

2- There is a substantial relationship between the use of the HR Audit evaluation of the current status of human resource function and revealing weaknesses that should be dealt with, and enhancing the organizational performance.

3- There is a substantial relationship between having a business oriented human resource department within the organization and supporting the organization's overall business objectives and strategies.

3-4   Unit of Analysis:

The unit of analysis in this research is a construction company operating in Egypt. To protect the business interests and ensure confidentiality, no individual names will be mentioned and the organization will only be referred to as "Ideal Construction". Some of the Company specific data will be disguised so that it cannot be identified at a later stage. Formal approval was obtained by senior management of "Ideal Construction" prior to the conduct of this research project.

3-5   Research Design and Methodology:

The design chosen for this research was the "Case Study" design. It is supposed to point out the issues of concern within the company, and hence, use the findings in achieving the objectives. After collection of the preliminary required information, the research plan was developed in a way that provides the maximum advantages possible. In the following, there is an outline of the research design and methodology:

The research is divided into the following three main phases:

1- **Defining and Designing phase.** It consists of the following processes:

 a) Identify/ define the research problem which was outlined in the forefront of the research.

 b) Build the research theory, which consists of the following steps:

  1) Select the unit of analysis for the research, which is "Ideal Construction" Company.

  2) Design data collection protocol. In this research, it deals with management and administrative issues such as who does what and when. We would be especially careful to ensure that the data will be recorded as measured. This step will include consideration of data entry, file structures, analysis software, and so on, especially for the organizational culture questionnaire and the HR Audit process.

2- **Preparation, collection, and analysis of data phase.** The research data preparation, collection, and analysis phase will entitle the following instruments that the researcher thinks would best serve the objectives of the research:

 a) The Interpretive study. Interviews with middle and top managers to assess the general perception of human resource services and performance.

 b) Detailed questionnaire to assess and define the dominant organizational culture in the organization and shedding light on the issues of concern.

 c) Empirical Research. Use a Human Resource Audit kit to reveal the strengths and weaknesses in the human resource function within the organization.

Here, the researcher will be using the analytic generalization, which is primarily used with case studies, through the strategy of relying on the case study propositions formed in the initial stages, along with the use of the explanation building analytic technique.

3- **Evaluation and Conclusion phase**. In this phase, the collected data will be analyzed and evaluated. Base on such analysis and evaluation, recommendations concerning the issues of concern based on which, a detailed report will be written, then the conclusions will be used in building a business oriented human resource plan and strategies, which was the main aim of the research.

4- Auditing "Ideal Construction" Company

4-1   Interviews with the Company Managers:

To figure out the perception of the HR delivered services and how managers think of the quality of the function,

in-depth interviews were conducted with 7 middle and top level managers in order to find out their perception of the effectiveness of the following Human resource Functions (the functions were selected based on the fact that the interviewed managers are exposed to their results): Recruitment, Selection, Training, and Development.

The focus of each interview question was on three main areas: Where are we now? What are the problems? What do we have to do to obtain, maintain, and develop the type of people the organization needs to keep a competitive edge?

4-2 Evaluation of Data
a) Convergence of opinions

Most of the managers interviewed were reluctant at the beginning to reveal their genuine thoughts and opinions. We believe that the reasons for such reluctance are based on the following reasons:

1- For the middle level managers, the reluctance was mainly based upon the fear of retaliation and fire back reactions from other members of the organization.

2- For the top level managers, they thought that we were conducting an evaluation for the HR department and that there would have been some corrective actions to be taken against it.

3- Talking bad about a person, a section, a function, or a department is traditionally seen in the whole country as some sort of a stab in the back. Most people feel embarrassed to do so when they are put in such a situation.

After facing such situation with the first two interviewees, be used to initiate our successive interviews with an introduction highlighting the main purpose of the interview and that we did not mean any kind of interfering in anything, but we aimed at helping the organization valuing its HR function and getting the best out of it to the best possible extent through stressing on the strength points and pinpointing the weakness ones.

Moreover, we assured them that anything to be said would be anonymous and no ID information would be taken. In addition, the outcome would only be presented to the head of the organization for his discretion.

After that, managers felt some sort of relief and began expressing their genuine thoughts and opinions answering our questions to the best of their knowledge.

Analyzing the answers for the questions revealed why they felt reluctant at the beginning to express what they really thought. Answers demonstrated some sort of convergence of opinions among them, highlighting many issues of concern that would be taken into consideration in designing the organizational culture questionnaire and the HR audit kit.

The data and information collected from the interviewees revealed some sort of convergence in their opinions about how HR function and activities are perceived and evaluated within the company.

In general, most of them viewed HR function as a non- important one and a cost center not more. They did not feel the role of HR in their everyday operations. They complained about many things, most of them stem either from the dominant organizational culture within the organization or the HR delivered services and initiatives.

4-3 Summary

The interview results showed that managers are not very satisfied with the different HR activities and delivered services at present. This result will be taken into consideration in designing and implementing the organizational culture questionnaire and the HR audit instrument to stress on the issues of concern.

Although the staff selection activities received a more favorable overall response from the managers compared to other areas, some constructive feedback and recommendations for further improvement were recorded.

4-4 Organizational Culture Questionnaire

The dimensions tested using the questionnaire were as follows: 1- Openness 2- Trust 3- Authenticity 4- Autonomy 5- Organizational Change 6- Collaboration 7- Internal Communication 8- Business Focus 9- Workplace Behavior 10- Discipline.

The questionnaire was divided into two parts. The first part consisted of 20 questions and rating for each was from 1 to 5 from, "strongly disagree" to "strongly agree". The second part consisted of 25 questions based on how the content of each statement receives value within the organization, and was rated from 1 to 4, "if it is given a very low value" to "if it is highly valued.

The questionnaire was sent to 70 employees via e-mail, and they were asked to complete it to the best of their knowledge. Moreover, they were asked not to send it via e-mail, because this might fear some of them away least retaliation might occur. They were asked to print the form after completing and put it in a designated mail box without any ID information on it.

We tried as possible to send questionnaire forms to those employees who could perceive the purpose of it and are able to complete it. It was written in two languages, English and Arabic, as some of the employees do

not have the language skills required to fill it in English.

We received 48 completed forms, after excluding the disqualified ones. This gave us the response rate of 68% of the total target sample.

Results of the questionnaire's analysis revealed that there is a real issue of concern attached to the organizational culture within the company, just like we expected.

4-5 Results and comments attached with the Org. Culture Questionnaire

In the following, there is a list of the ten dimensions, arranged according to their importance rating, accompanied with the researcher's comments on the results for each one:

4-5-1 Business Focus: questions 3-7-10. Business focus allows an organization to concentrate its resources on the greatest opportunities to achieve its objectives, enhance its services, increase its sales, or achieve a sustainable competitive advantage. This implies dedicating any kind of resource, human assets included, on the main objectives of the organization. Having this in mind, with 15% of importance rate to the company and an average of 3.04 (60.8% the highest possible score) for the business focus variable in the organization, it raises a lot of questions about the future opportunities of the organization. We recommend that the organization should have some work to do focusing its human assets in the right direction.

4-5-2 Collaboration: questions 23-34-37-42-45* (questions with * mark were reversed in answer selection not to have a pattern in all questions). Collaboration is giving help to, and asking for help from, others. It means working together (individuals and groups) to solve problems and team spirit. The outcome of collaboration includes timely help, team work, sharing of experiences, improved communication and improved resource sharing. The indication could be productivity reports, more meetings, and involvement of staff, more joint decisions, better resource utilization and higher quality of meetings. From the answers, we find that collaboration has 13% of importance rate to the company and an average of 3.15 (63% the highest possible score) we find that there is an issue of concern regarding this variable. Obviously, employees are not willing to provide help and support, which is considered to be a serious issue to have in any organization. We believe that the company needs to draw special attention to this area.

4-5-3 Internal Communication: questions 8-9-12-19. Most experts on organizations, management and leadership, assert that effective communications are the foundation for effectiveness in any type of organization. They assert there can't be too much communication. Some leaders misinterpret communications to be the same as paperwork or bureaucracy and so they're averse to a high degree of communications. As leaders and managers mature, they realize the need to effective convey and receive information, and efforts at communications (internal and external) increase substantially. Managers have traditionally spent the majority of their time communicating in one form or another (meetings, face-to-face discussions, memos, letters, e-mails, reports, etc.). Today, however, more and more employees find that an important part of their work is communication, especially now that service workers outnumber production workers and research as well as production processes emphasize greater collaboration and teamwork among workers in different functional groups. With such importance of internal communication, compared with 13% of importance rate to the company and an average of 2.81 (56.2% the highest possible score), it is obvious that the organization faces a real problem in this arena. Time wasted and resources spent cannot be overstated, and if correctional procedures are not taken in this regard, depletion of resources, which was a major concern to the company, will continue through the future, and could take a more serious curve.

4-5-4 Workplace Behavior: questions 6-14-17-18-20. Business dictionary defines workplace behavior as pattern of actions and interactions of members of an organization that directly or indirectly affects its effectiveness. Our behavior within the workplace can contribute positively to creating a productive and harmonious environment in which staff can be inspired and achieve their full potential. However, when behavior is inappropriate or dysfunctional it can have serious consequences on productivity, job satisfaction and on the physical and psychological well- being of staff. All members of the organization should have a duty of care to each. No wonder, considering the averages for the above variables, that workplace behavior, which is the result of other related variables and with 13% of importance rate to the company, takes the lowest average of all, 2.62 (56.2% the highest possible score). Difficult behavior can inhibit performance in others and will only deteriorate if left alone, contaminating more people and incurring hidden costs for the organization. It takes many forms like rudeness, yelling, shunning, mobbing, gossiping, and refusing to talk to or acknowledge others, harassing, incessant complaining to supervisors, ignoring directives, and slow working. Before reaching to solve problems related to this variable, the organization should first take the necessary actions and procedures to enhance the above variables and see if any improvement would occur to the workplace behavior. We believe that taking care of the above will take care of this variable as well. If not, a separate analysis would be needed before adopting a correctional strategy.

4-5-5 Discipline: questions 1-5-13-16. In organizations, Discipline is important in the area of behavior but is even more important in the area of systems. Organizational discipline centers on systems. Businesses, military

organizations, government organizations, nonprofit organizations, charitable organizations, and religious organizations all operate based on systems. Discipline is a vital element in building employee commitment and positive workplace behavior. Looking at this variable, we find that it takes the highest average among all variables with 11% of importance rate to the company and an average of 3.4 (68% the highest possible score). Even though it is the highest, still, it is not up to the required level, and the organization needs to increase the density of its disciplinary procedures and systems and make sure all employees adhere to them.

4-5-6 Openness: questions, 21-27-29-39-44* (questions with * mark were reversed in answer selection not to have a pattern in all questions). Openness can be defined as a spontaneous expression of feelings and thoughts, and the sharing of these without defensiveness. Openness is in both directions, receiving and giving. Both these may relate to ideas (including suggestions), feedback (including criticism), and feelings. For example, openness means receiving without reservation, and taking steps to encourage more feedback and suggestions from customers, colleagues and others. Similarly, it means giving, without hesitation, ideas, information, feedback, feelings, etc. Offices without walls are a symbolic arrangement promoting openness, which does not happen in our case. The willingness to share and openness result in greater clarity of objectives and free interaction among people. As a result of openness, there should be more unbiased performance feedback. Indicators of openness in an organization will be productive meetings and improved implementation of systems and innovations. The importance rate for Openness was 9% and it took the average of 3.32 (66.4% the highest possible score). This indicates that the organization's working environment is marred with concealment, secret communication, rumors, and an atmosphere of fear. This is a poor environmental surrounding to conduct business in. the researcher is to submit separate recommendations to overcome such weaknesses to the company management.

4-5-7 Autonomy: questions 26*-33*-36-38-40 (questions with * mark were reversed in answer selection not to have a pattern in all questions). Autonomy is using and giving freedom to plan and act in one's own sphere. It means respecting and encouraging individual and role autonomy. It develops mutual respect and is likely to result in willingness to take on responsibility, individual initiative, better succession planning. The main indicator of autonomy is effective delegation in organization and reduction in references made to senior people for approval of planned actions. With 8% of importance rate to the company and an average of 3.25 (65% the highest possible score), employees lack the autonomy, self- initiatives, and empowerment. Superiors do not trust subordinate employees could be acting on their own. They keep them most of the time under close supervision and scrutiny. This increases the atmosphere of fear, lack of trust, and hesitation among employees.

4-5-8 Trust: questions 24-28*-31-41-43 (questions with * mark were reversed in answer selection not to have a pattern in all questions). Trust here is not used in the moral sense. It is reflected in maintaining the confidentiality of information shared by others, and in not misusing it. It is also reflected in a sense of assurance that others will help, when such help is needed and will honor mutual commitments and obligations. Trust is also reflected in accepting what another person says at face value, and not searching for ulterior motives. The outcome of trust includes higher empathy, timely support, reduced stress, and reduction and simplification of forms and procedures. Such simplification is an indicator of trust and of reduced paper work, effective delegation and higher productivity. With 7% of importance rate to the company and an average of 3.2 (64% the highest possible score), trust in the organization is not going on the right track. Obviously, employees lack the trust in each other and in superiors. This has a negative effect in their dependence on each other, which would be reflected in lack of support and cooperation, not only on the personal level, but on the professional one as well.

4-5-9 Organizational Change: questions 2*-4-11-15 (questions with * mark were reversed in answer selection not to have a pattern in all questions). Organizational change is any action or set of actions resulting in a shift, in direction or process, that affects the way an organization works. Change can be deliberate and planned by leaders within the organization (i.e. shift from marketing focus to sales volume stress), or change can originate outside the organization (i.e., economic restrictions or financial crises) and be beyond its control. Just coping with the other mentioned variables, the company's reception of organizational change goes below the accepted level with 6% of importance rate to the company and an average of 2.87 (57.4% of the highest possible score) only. It means that there must be a lot of fundamental changes with other variable conducted before the company it goes for any kind of organizational change.

4-5-10 Authenticity: questions 22*-25-30-32*-35 (questions with * mark were reversed in answer selection not to have a pattern in all questions). Authenticity is the congruence between what one feels, says and does. It is reflected in owning up one's mistakes, and in unreserved sharing of feelings. Authenticity is closer to openness. The outcome of authenticity in an organization is reduced distortion in communication. This can be seen in the correspondence between members in an organization. This variable is related to the previous one; actually, in most of the times, it is the result of it. If employees lack trust among each other, they will seek lying, pretence, and hiding from responsibility concerning mistakes. With 5% of importance rate to the company and an average of 2.8 (56% the highest possible score), management should understand the disastrous implication of the lack of trust among employees on its business and future.

4-6 Company HR Audit

Just like what was mentioned in the forefront of the research, the researcher was going to use an empirical research consisting of a HR audit kit to reveal the weaknesses in the human resource function within the organization.

The most famous HR audit kit available was the one developed by McConnell, John H. in his book "How to audit the Human resource Department". The researcher studied the instrument used by McConnell in his book and found out that he used 16 categories, with different weights according to their importance, to evaluate the effectiveness of the human resource function within the organization.

The researcher, based on the special nature and activities of the organization, sought some variations in the audit instrument to match the findings of the organizational culture dimensions analysis and the interviews conducted with the managers before.

The HR Audit kit used was designed to measure the three main areas of the HR function within the company, namely the Functional Audit part to evaluate and assess the different deliverables of the HR function, the Strategic Audit part to evaluate and assess the HR strategy and its relationship with the business strategy as a whole, and how the HR function contributes to the achievement of the business objectives and strategies. The last part was the Legal Compliance audit to assess and evaluate how the organization adheres to the different laws, rules, and regulations imposed by the Egyptian Labor Law, governmental regulations, or the labor union's requirements.

Before reaching the final audit kit to be used, different meetings were held with the company management from different levels. In all of the abovementioned meetings, the purpose of the audit and its objectives were explained, in addition to the expected outcomes. Moreover, the variables' weighting criteria and method were explained and final scores were settled.

Different managers had their inputs included in the kit, questions were rephrased sometimes to get to the desired points, and different variables were added and others were omitted to get to the final draft.

The final draft was demonstrated to the regional manager to get his approval before initiation of the process, and to explain to him the core and objectives of the process itself.

After having the necessary approvals, the researcher began preparation of the final version of the human resource kit to be used within "Ideal Construction" company.

4-6-1 The HR audit kit variables, along with their priority weights:

	Ser.	Variable	Priority
Functional Audit	1-	Manpower Planning	8
	2-	Recruitment, Selection & Induction	7
	3-	Record Maintenance	5
	4-	Performance Management- Appraisal / Retention	7
	5-	Training and Development	7
	6-	HRIS	6
	7-	Compensation, Reward, and Recognition	7
	8-	Industrial Relations	7
	9-	Emp. Communication	6
	10-	Termination and Transition	5
Strategic Audit	1-	Business and Human resource Strategy	8
	2-	Talent Management	6
	3-	Career Dev. And Succession Planning	7
	4-	Human resource Cost	6
Legal	1-	Compliance	8
Total			**100**

The number of questions in each variable varied from one variable to the other, based on the number of activities and details of each one. In the following there is a list indicating the different variables used along with the number of questions for each one:

Ser.	Variable	No. of Questions
1-	Manpower Planning	9
2-	Recruitment, Selection & Induction	27
3-	Record Maintenance	7
4-	Performance Management- Appraisal / Retention	15
5-	Training and Development	13
6-	HRIS	7
7-	Compensation, Reward, and Recognition	15
8-	Industrial Relations	6
9-	Emp. Communication	6
10-	Termination and Transition	11
11-	Business and Human resource Strategy	9
12-	Talent Management	14
13-	Career Dev. And Succession Planning	8
14-	Human resource Cost	6
15-	Compliance	34

To reflect the importance priority of each variable in calculating the average score of the audit result, each variable's average score was multiplied by its priority score, and a fixed coefficient was used to multiply the final average of each one and compare it with the highest possible score.

4-6-2 Summary of HR Audit Results

The picture which emerged from this audit is in stark contrast to that of the financially successful organization described in Chapter One under the heading 'Company Background'. To find that a construction organization, which mainly relies on its people, has an organization culture with extremely low scores in all of the measured dimensions might have come as a complete surprise to the unsuspecting outsider.

However, considering "Industrial Construction" origin as a branch of a multinational construction company which grew through acquisitions, the current economic climate with a high unemployment rate and Industrial Construction's employment statistics with an extremely low number of tertiary qualified staff, this may not be so surprising. The following questions must be asked though: 'Is this still a useful culture considering the present size and diversity, and will it be appropriate for further expansion?'. Through auditing the different HR functions and comparing managers' perceptions, a strong need has been identified for HR planning to become a part of total organization's long and short-range planning process.

On one hand, the HR Department does at this stage not contribute sufficiently to the organization's success. On the other hand, support for the role of HR is lacking from senior management. In order to achieve a more positive contribution from the HR Department, acknowledgement and support from management is required.

Before conduct of the audit field work, we held a meeting with the HR manager and staff to inform them about the process we were about to perform, its scope, objectives, and the course it was going to take. Moreover, we explained to them that some information would be required from them; some would be required from other members of the organization. The most important thing we explained to them is that it was not an evaluation process to the way they were conducting their jobs, but a solution seeking process to figure out the strengths that needed to be stressed on, and the weaknesses that needed to be improved. Moreover, the process was conducted for the good of the organization in general, and the HR practitioners within the company in particular.

Looking at the audit score, we find that the lowest variables are the ones that the company needs most to compete in today's business environment. Taking them from the lowest to the highest, we find that the scores are summarized in the following table:

Ser.	Area	Variable	Co. Average	Highest Possible	Co. Percentage
1	Strategic	Talent Management	0.00	16.21	0.00%
2	Functional	Training and Development	1.70	20.37	8.32%
3	Strategic	Business and Human Resources Strategy	4.54	33.63	13.50%
4	Functional	Manpower Planning	5.35	33.63	15.90%
5	Strategic	Career Dev. And Succession Planning	6.12	33.11	18.48%
6	Functional	Record Maintenance	5.22	27.01	19.31%
7	Functional	Compensation, Reward, and Recognition	5.03	17.64	28.53%
8	Functional	Performance Management- Appraisal / Retention	5.22	17.64	29.58%
9	Functional	Industrial Relations	15.31	44.12	34.69%
10	Functional	Recruitment, Selection & Induction	3.71	9.80	37.84%
11	Functional	Emp. Communication	14.37	37.82	38.00%
12	Functional	HRIS	12.35	32.42	38.10%
13	Functional	Termination and Transition	6.87	17.20	39.93%
14	Legal	Compliance	5.15	8.90	57.82%
15	Strategic	Human resource Cost	x	x	x

The above table results match the ones reached before in the organizational culture dimensions' assessment. The company suffers a serious issue in most, if not all, variables tested.

In the audit, we excluded the human resource cost variable as it contained financial issues that the company managers did not want to expose. So, we respected that and added (x) in all of scoring questions, but due to the audit professional side, we included the questions asked within the audit process itself.

Taking the different variables according to their priority to the company, we find that Manpower Planning, Business and Human Resource Strategy, and Legal Compliance take the top priority for the company, but unfortunately, the scores do not reflect such importance at all. Manpower planning received the score of 15.9%, which means that it is not almost there. The organization does not value the planning feature in the HR department and treats it like a chain of orders coming from top to bottom in the form of employment requisitions. The HR Dept. only does the admin part of the process in arranging for advertisement and setting up for meetings. HR Dept. does not share in the process of selection, and hence, its feedback is irrelevant at all.

Moreover, this assures the previously mentioned results of the interviews conducted with the different company managers who showed a tendency towards looking at the human resource department as a cost center that does not add any value to the organization's performance, and this side would be dealt with in the strategic recommendations in the following chapter.

Talking about the strategic role of HR within the organization, we find that the HR strategy score is 13.5%, which means that the Human Resource department of the organization does not have a strategy to function within its limits and under its light. This also has its implications on the HR's contribution to the business overall strategies and objectives. If it does not have a strategy for its own, the concept of supporting the business strategy will not be there.

The next variable in the top priority list is the legal compliance. Even though the company did not want to give it a high priority, the researcher knows the quantity and quality of problems that the organization is exposed to by not adhering to the governmental laws and regulations, and the amount of money that would be spent in the form of penalties, fines, and lawsuits. Hence, that variable was assigned a top rate priority score. The result of the audit showed 57.8% compliance score, which was the highest score among all the variables tested, but still could get the company into serious troubles. The recommendations related to this variable will be dealt with in the conclusion part of the research.

Aside from the priority scores, something in the audit result should draw the attention, which is the score of the "Talent Management" and "Succession Planning" variables. These variables are treated within the company either like they do not exist in the world, or as luxurious variables that are not needed in performing the operations of the organization. Talent management receives zero in the score. Obviously, the company does not believe in the talent management scope. They do not have a talent list, they do not have a strategy to manage talents, and they do not believe in the importance of talent management. This was not due to the HR department, but it was due to the top management attitude and mindset. Moreover, this will be dealt with in the latter chapter, along with the succession planning.

McConnell mentioned in his book that the variables that should take the immediate attention are those

that occupy the top of the priority ladder and in the meantime take a weak score.

In our case, and looking at the variable sheet, we find that this statement is applied on 4 variables, not to mention the "talent management" of course. These variables are manpower planning, business and human resource strategy, training and development, and career development and succession planning", in that order. In the action plan, these variables, plus the talent management will receive a special care.

Looking at each area as a whole, we find that the functional area received 29.15%, the strategic audit received 12.85%, and the legal one received 57.87%. The mentioned percentages go in line with the different variable scores in each area, which revealed an extremely weak side in the strategic part.

It is very surprising that the company did not notice this until now. It looks like it focuses only on the operation side of the business and disregards the other areas.

The functional area is not in a better place. Even though it occupies a better score, still, this area is responsible for everyday operation of the business. 29.15% score is not a promising thing at all. Even though it was compared to the ideal situation, being that far away from even the half is not to be acceptable.

Even though the blame here is to be placed on the HR practitioners, still, the top management should draw its attention to the deficiency in this area and should provide help and support required by the HR department to enhance the functional area for the good of the operations. Operations should have a strong base of deliverables to rely on as in business, we are not only dealing with machines, but we are dealing with human beings. Machines make things possible, but people make them happen. If people are not satisfied with services and deliverables provided to them, they will not be as efficient as the case if they are satisfied.

Leaving the functional area to the legal compliance one, we find that the score is 57.87%. Even though the score in this area is the highest among the three areas, and the score is the highest as well among all the variables (as this area contains one variable only), still it is not satisfactory. This area implies fines and penalties, not to mention the lawsuits related to them and the money that could be spared or spent by the company.

I knew from the investigation and analysis that the company paid a substantial amount of money on fines and penalties, but they did not look at the area from a comprehensive perspective, but based on each case at a time. This is not the proper thing to do, because not being subject to heavy losses in this area before does not mean that the company is not exposed to them in the near future. A whole comprehensive perspective should be used in dealing with the deficiencies and weak points revealed by the HR audit process, and even those not mentioned in it.

5- Conclusion

The aim of this study was to demonstrate how HR tools, such as HR Audit, could be used in evaluating the current status quo of HR function, from the strategic perspective, within a unit of analysis, in this case a construction company, and use the findings of the audit in developing a model for a business oriented human resource department.

In today's fierce competitive business environment, companies cannot afford but have all of their members, especially HR practitioners, share in and contribute to the achievement of their strategies and objectives, if they are willing to compete in the near future. Our unit of analysis is not an exception to this.

As the abovementioned tests of the human resource functions and department within "Ideal Construction" company revealed, the human resource arena within the company is not considered more than an admin office taking care of the paper work of HR only, without having the chance to go deeper in the core of the company and support the overall strategies and objectives.

The blame is not to be put on the HR personnel of the company. The multiple interviews, in addition to the organizational culture questionnaire and HR audit revealed that the HR function within the company is only perceived as a cost center that does not have the ability to contribute positively to the overall objectives and strategies. Even the top management shares the middle management in this perspective.

The tools used in this research revealed the following setbacks:

- A weak organizational culture dimensions in the company that affect the workplace behavior and the interaction among the different divisions of the company.
- The HR department is not perceived in a positive way from the different operational divisions of the company, and in particular from the top management members.
- HR department is considered to be a cost center that cares only for admin issues.
- There is a lack of top management's support to a serious role of HR functions within the company.
- There is a complete separation between the HR department and the company's strategies and objectives.

In the middle of the isolated silos and lack of support, the company is exposed to legal fines and penalties due to negligence of some legal and legislative requirements.

In the light of the abovementioned findings, the researcher tried to formulate a framework for the HR department, within which concerned personnel could rely and improve the status quo.

A strategic road map was developed to illustrate the strategic course within the whole company, and

how the HR deliverables are vital in achieving the overall objectives and strategies.

A strategy was established for the human resource department, with short and long term courses of action that could direct the HR functional path within the company.

The different critical variables that could have a strategic impact on the human resource role were selected and dealt with each one at a time. A strategy statement was developed for each variable to formulate the strategic framework for it, and was followed by some ground rules and actions to be implemented. After that, some control measures were developed to act as indicators for how successful such variable is functioning in the company, and reveal if it requires some corrective actions.

Several meetings were held with the company management and the HR practitioners to expose the result of the audit and the recommendations developed.

HR personnel were notified about how important their role is in the organization and how they could have a great influence on the success or failure of the company in the future. In addition, they were informed that it is up to them to take charge from now on. We were just trying to switch on the light for them and show them the way, but they were the ones who should lead the way and achieve the improvement.

References

Arashpour M., (2010), "The Rationale of Lean and TPM", International conference Of Engineering and operations Management (IEOM), Dhaka, Bangladesh.

Asian Development Bank, (2010), "Human Resource Function Strategic Paper and Action Plan",

Belout, A. and Gauvreau C., (2004), "Factors influencing project success: the impact of human resource management", International Journal of Project Management, 22(1), 1-11.

Bratton, J., Gold, J., (2007), "Human Resource Management: Theory and Practice", Palgrave Macmillan; 4th edition

Dave Ulrich, (1997), "Measuring Human Resources: An Overview of Practice and a Perspective for Results", Human Resource Management, Fall 1997

Fossas & Sastre, (2002), "Human Resource Audit", IAER: VOL. 8, NO. 1

Francis, H. and Keegan, A.E., (2006), "The changing face of HRM: in search of balance", Human Resource Management Journal, 16 (3, July), 231-334.

Huemann, M., Turner, J.R. and Keegan AE., (2004), "Human resource management in the project-oriented organization: A Review", International Journal of Project Management 25 (2007) 315–323.

Geert Hofstede and Gert Jan Hofstede, (2005), "Cultures and Organizations; Software of the Mind", ISBN 0-07-143959-5.

J Rodney Turner, Martina Huemann, and Anne Keegan, (2007), "Human Resource Management in the Project Oriented Company: An Under-explored Topic", Kemmy Business School.

Kate Walsh, (2010), "Key Issues in Strategic Human Resources", Cornell University.

Laurdan Associates, (2008), "Inc.Editorial for HRM Website".

Loosemore, Martin, Dainty, Andrew and Lingard Helen, (2003), "Human Resource Management in Construction Projects", 2nd ed., Spon Press.

Luftim CANIA, (2014), "The Impact of Strategic Human Resource Management on Organizational Performance", European University of Tirana, Albania.

Marta Fossas Olalla & Miguel Angel, (2002) "Human Resource Audit".

Martin Loosemore, Andrew Dainty and Helen Lingard, (2003), "Human Resource Management in Construction Projects Strategic and operational approaches".

McConnell, John H., (2001), "Auditing Your Human Resources Department: A Step by Step Guide", New York, AMACOM a division of American Management Association.

Mehrdad Arashpour, Mohammadreza Arashpour , (20121), "Gaining the Best Value of HR in Construction Companies".

Ministère de la Fonction publique et de la Réforme administrative PricewaterhouseCoopers, (2005), "Human Resources management strategies to support organizational changes" Luxembourg.

ÓLa Piana Associates, Inc. 2002 HR Audit, pg. 1. "www.lapiana.org/consulting"

Palena Neale, Shyam Thapa, and Carolyn Boyce, (2006), "PREPARING A CASE STUDY". Public Service Commission of Canada, (2005)

Smolowitz, Ira, "Corporate culture and core competency", Business & Economic Review, Vol 42, Iss. 3, 199.

Yin, R. (1994), "Case study research: Design and methods", (2nd Ed.), Thousand Oaks, CA: Sage Publishing.