



ROLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT SKILLS ON SUSTAINABLE GROWTH OF ARCHITECTURE FIRMS IN NIGERIA

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Abstract

For Sustainable growth of architectural firms, strategic human resource management skills are one important source of competitive advantage. Strategic human resource management skills can contribute to sustained growth of firm through facilitating the development of competencies skills that are firm specific. This paper investigates the impact of strategic human resource management skills on the sustainable growth of architectural firms in Nigeria Quantitative data were sourced through the administration of structure questionnaire to 74 Architectural firms. Data collected from 60 responding firms was subjected to correlation and regression analysis as well descriptive statistics in pursuance of the stated objective of finding a fit between firm sustainable growth and strategic human resource management skills. Based on the research findings, the conclusion is that strategic human resource management skills have a significant relationship with sustainable growth of architectural firms in Nigeria. The paper recommends that architectural firms in Nigerian should pay more attention to Critical Thinking Skills, Leadership Skills and Communication Skills of the management staffs and employees with a view to ensure their successful sustainable growth across the Industry.

Keywords: *Strategic Human Resource Management Skills, Sustainable Growth and Architecture.*

Background to the Study

In this 21st century, Architectural Firm's success primarily depends on the skills and innovativeness of their employees, which forms the firms' most valuable commodity. Traditional sources of success such as service/product and process technology, etc. can still provide competitive leverage but a firm's human resources are more vital for its sustainability. In this light, Strategic Human Resource Management (SHRM) Skills becomes very important for architectural firms' sustainable growth. A prelude of (SHRM) is necessary to highlight this importance because Strategic Human Resource Management is necessary for all types of organizations, that is, public or private, local or foreign, small, medium or large (Itika,2011).

SHRM is defined by Harrison, (1993) as an overall and coherent long term planning and shorter term management, control and monitoring of an organization's human resources so as to gain from them the maximum added value and best position them to achieve the organization's

corporate goals and mission. And according to Bhatia, (2007) SHRM is the overall direction the organization wishes to pursue in order to achieve its goal through people as a strategic resource for the achievement of competitive advantage. From this definition it can be deduced that the main goal of SHRM is to generate strategic capability by ensuring that the organization has talented, skilled, committed, and well-motivated staff.

Armstrong, (2008) states that Strategic human resource management is an approach that defines how the organization's goals will be achieved through people by means of Human Resource (HR) strategies and integrated HR policies and practices. He highlights that strategic HRM is based on three propositions: The human resources of an organization play a strategic role in its success and are a major source of competitive advantage; HR strategies should be integrated with business plans (vertical integration); and Individual HR strategies should cohere by being linked to each other to provide mutual support (horizontal integration).

Brewster, et al., (2000) opined that some of the benefits that Strategic human resource management may bring to the organization includes: Contributing to the goal accomplishment and the survival of the company; Supporting and successfully implementing business strategies of the company; Creating and maintaining a competitive advantage for the company; Improving the responsiveness and innovation potential of the company; Increasing the number of feasible strategic options available to the company; Participating in strategic planning and influencing the strategic direction of the company as an equally entitled member of top management; and Improving cooperation between the HRM department and line managers. Based on the principles and functions of (SHRM) highlighted, leaders of architectural firms require (SHRM) skills to gain competitive advantage for their firm's sustainable growth. According to Mayhew, (2014) strategic human resource management skills are certain skills leaders need to formulate strategy useful for (HR) functional and tactical processes. These skills include: Critical Thinking Skills; Leadership Skills and Communication Skills.

Objective of the Study

The objective of the study is to investigate the impact of strategic human resource management skills on the sustainable growth of architectural firms in Nigeria.

Critical Thinking Skills

Critical thinking includes the component skills of analyzing arguments, making inferences using inductive or deductive reasoning, judging or evaluating, and making decisions or solving problems (Lai, 2011). And Bailin (2002) defines critical thinking as thinking of a particular quality, essentially good thinking that meets specified criteria or standards of adequacy and accuracy while Halpern (1998) describe critical thinking as the use of those cognitive skills or strategies that increase the probability of a desirable outcome.

According to Hagemann and Chartrand (2009) as cited in (Chartrand, Heather Ishikawa, & Flander, 2013), research has shown that the competencies that professional leaders lack the most are strategic thinking and the ability to create a vision or to understand the total enterprise

and how the parts work together. Both competencies hinges on critical thinking skills. Therefore developing these skills in leaders and employees of architectural firms will not only enhance firm competitive advantage, but will also ensure their sustainable growth. One of the most well-established research findings in industrial psychology is that cognitive ability is directly related to performance in all jobs (Schmidt and Hunter, 1998) as cited in Chartrand, et. al. (2013). Critical thinking, one type of cognitive ability, is of particular importance where sophisticated decision making and judgment are required such as project implementation. Research findings according to Chartrand, et. al. (2013) has shown that leaders of organizations with critical thinking skills have good analysis and problem-solving skills; good judgment and decision making; good overall job performance; the ability to evaluate the quality of information presented; creativity; job knowledge; and the potential to move up within the organization.

Project design, execution and management are the primary function of architectural firms. Each project is associated with its own unique problem and consequently, these firms' needs leaders with critical thinking skills to work on the project problems, solve the tough issues, and find new answers to these project problems that evolve. For a successful project delivery, firms also need employees who can think critically on their own to solve the project problems that arise every day, thus it is hypothesized;

Hypothesis 1: There is a relationship between critical thinking skills and Sustainable growth of architectural firms.

Leadership Skills

Leadership skills are a set of management skills that help an individual to motivate a team towards achieving a common goal or objective. These are a set of interpersonal skills that help teams in working in tandem under the authority of a leader and also, important skills of the supervisor, individuals that are innovative and possess vision, motivation, team building, pride, and trust are typically more identified as “leadership skills” (Google, 2014 & Mohamed, 2014).

Leadership skills and management skills have different concepts. Leadership is usually juxtaposed with management, but effective organization need both of them because they are an essential part of building and improving productivity an index of sustainable growth. Leadership skills are needed to create change, while management skills are needed to create orderly results (Mohamed, 2014). According to Herrmann, Komm, and Smit (2011) there is a link between growth and specific leadership traits. In a study on the growth performance of more than 700 companies, they found that leadership skill (quality) is critical to growth, that most companies don't have enough high-quality executives.

According to Abbas and Asghar (2011), leadership skill has a central role in evolution and cultivating an organization, the process of organizational change demands a very effective and highly competent leadership that is well capable to perceive the most desirable shape of an organization and address the issue of organizational change in most appropriate way. The

results of real life cases of organizations which they studied shows that a leadership with the competencies of “Vision” and “Innovative Approach” along with other characteristics can prove more effective to conclude the complex phenomena of organizational change with success and that the successful organizational change can lead to innovation for organization, which is the key of long term success and sustainability. Based on this and other supporting arguments, it can be hypothesized that;

Hypothesis 2: There is a positive relationship between leadership skills and Sustainable growth of architectural firms.

Hypothesis 2a: A Leadership skill is positively related to Critical thinking skills.

Hypothesis 2b: A Leadership skill is positively related to Communication skills.

Communication Skills

Communication skills are defined as the ability to convey information to another effectively and efficiently (Business dictionary, 2014). Communication skills – whether verbal or written – are core competencies expected in virtually any position within the workplace. The ability to communicate with employees at every level in the organization is especially important for leaders who want to improve organizational operations and the performance and productivity of their employees (Mayhew, 2014). Improved performance and productivity generally leads to firm sustainable growth.

Communication is one of the essential components of an organization's performance management system and it improves the ability of employees to meet the organization's expectations. Communication is needed for exchanging information, exchanging opinions, making project plans and proposals, reaching contract agreement, executing decisions during project execution, sending and fulfilling orders and conducting services (Kotler, 2006 and Mayhew, 2014).

Consequently, communication skills are essential for managers in architectural firms for a concise expression in project design, management and construction. Also, they require this competency for communication with professional colleagues in the construction industry and for building interdepartmental relationships which occurs through verbal and written communication skills. Managers exchange information, ideas and recommendations with colleagues and employees in creating interdepartmental alliances (Mayhew, 2014). This, in turn, advances the goals and objectives of each department and of the overall goals of the firm, thereby enhancing its sustainable growth. No matter how intelligent the manager is, his /her communication skill is the only attribute that will help him/her to convince the target client. Therefore;

Hypothesis 3: In architectural firms, communication skills will be positively related with its sustainable growth.

Hypothesis 3a: Communication skills are positively related with Critical Thinking Skills.

Using the model hypotheses (and results) as shown in Figure 1, we propose that the strategic human resource management skills variables (critical thinking skills, leadership skills, and communication skills) have positive relationship with sustainable growth of architectural firms. The results also indicated positive relationships between leadership skills and critical thinking skills; leadership skills and communication skills. Results used are based on responds from the leader(s) and employees of 60 architectural firms.

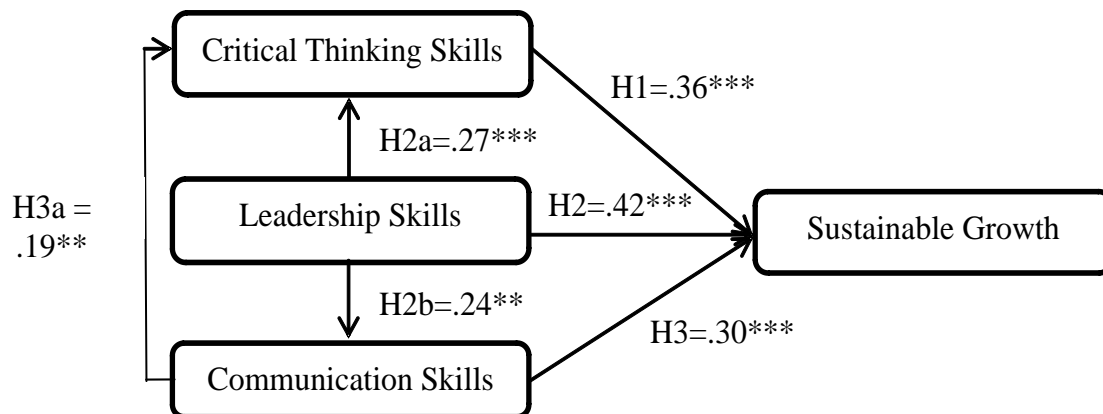


Figure 1. Conceptual model of hypotheses:
 Source: Authors field survey, (2014).

Method
Sample

Tabachnick and Fidell (2012) established that for regression analysis (adopted by this research paper) a sample size of $N \geq 50 + 8 \times M$ is adequate where M is the number of independent variables. This study has (3) independent variables and applying this formula, the sample size is $N = 50 + 8 \times 3 = 74$. Registered architectural firms in Nigeria comprised the population for the study. These firms employ architects, engineers, quantity surveyors, and administrative personnel. Two sets of questionnaires meant for leader(s) and 2 employees that work directly with the leader(s) were sent to 74 firms in Kaduna, Kano and Abuja. 60 firms responded with ninety leader(s) ($90/210 = 43\%$) and one hundred and twenty ($120/210 = 57\%$) employees participating.

Measures

Table 1 is a summary of the measurement variables, number of measurement items, measurement description and format, and the Cronbach's Coefficient Alpha (CR). Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability. Berthoud (2000) indicated 0.7 to be an acceptable reliability coefficient for any research instrument. The format and content of the measurement items were guided by the research cited with each latent variable. Typical measurement items are presented in the following text: Sustainable growth; Sustainable growth was measured with

three items using data from the questionnaires: (a) Profitability, (b) Increased No. of Employees and (c) New branches. The accuracy of the sustainable growth data was confirmed by the use of Cronbach's Coefficient Alpha (CA) to test the reliability of the instruments and reliability coefficient of 0.89 was obtained for this study indicating that there was adequate internal consistency of the instrumentation that allowed for the research study. Critical Thinking Skills; Five 5-point scales ranging from 1 (strongly disagree) to 5 (strongly agree), were used to measure critical thinking skills. A reliability co-efficient of 0.88 was obtained using (CA) indicating that there was adequate internal consistency of the instrumentation used. Examples are "I am best described as: A visionary." and "The best way to describe me is: Clear and a logical thinker" (Chartrand, Heather Ishikawa, & Flander, 2013).

Table 1: Measurement Model

Latent variable	No. of items	Format	CA
Sustainable growth	3	Profitability, Increased No. of Employees and New branches	.89
Critical Thinking Skills	5	5 - point scales	.88
Leadership Skills	5	5 - point scales	.92
Communication skills	5	5 - point scales	.83

Source: Authors field survey, (2014)

Leadership Skills; Leadership Skills was measured with five 5-point scales ranging from 1 (strongly disagree) to 5 (strongly agree) and the reliability co-efficient of 0.92 was obtained using (CA). Examples are "The best way to describe me is: Inspirational leader" and "My most important leadership trait is: Imagination and creativity" (Abbas and Asghar, 2011).

Communication skills; Communication skills was measured with five 5-point scales ranging from 1 (strongly disagree) to 5 (strongly agree) and a reliability co-efficient of 0.83 was obtained. Examples are "I am good at verbal and written communication skills." and "The best way to describe me is: Good listener" (Mayhew, 2014).

Results

The measurement model had three variables with CA > .30 and three variables with CA between .19 and .27, and all measurement-item coefficients were significant ($t > 2.0$; $p < .05$). Table 2 shows the descriptive statistics (means, standard deviations, and correlations) of the study variables. The results, including the Cronbach's coefficients, of testing the hypothesized (research) model are shown in Figure 1.

Table 2: Means, Standard Deviations, and Correlations

Variable	M	SD	1	2	3	4
1. Sustainable Growth	2.88	.829	—			
2. CriticalThinking Skills	3.45	0.33	.36***	—		
3. Leadership Skills	0.16	0.40	.42***	.27***	—	
4. Communication Skills	3.63	0.50	.30***	.19**	.24**	—

Note. N = 210

** p < .01. *** p < .001 .

Source: Authors field survey, (2014) .

There was significant direct relationship ($p < .01$) from communication skills to leadership skills and direct relationship (low significant) from communication skills to critical thinking skills; thus Hypotheses H2b, and H3a are supported. The hypotheses H3 and H2a have strong support because the correlation between sustainable growth and communication skills and between leadership skills and critical thinking skills was moderate, the item CA was .83 and .78 respectively. Also, the correlation between the sustainable growth content item and the leadership skills was high ($p < .001$), so also is the correlation between sustainable growth and critical thinking skills and the item CA was .92 and .88 respectively; thus hypotheses H2 and H1 are strongly supported. Taken all findings together, we found that leaders and employees who tend to have the desire for sustainable growth of their firm tend to be innovative with a high sense of team building spirit.

Discussion and Conclusion

This study highlighted five applied contributions. The most important finding of this study is that critical thinking skills, leadership skills and communication skills are (SHRM) skills that have direct significant impact on sustainable growth of architectural firms in Nigeria. Findings that the concepts leadership skills has a central (critical) role on architectural firm growth studied here are fully consistent with previous life research cases of organizations studied (Herrmann, Komm, and Smit, 2011; Abbas and Asghar, 2011). The positive effects for critical thinking skills and communication skills are consistent with the results of several organizational growth studies (Chartrand, et. al. 2013; Kotler, 2006).

Second, the findings for communication skills are of particular interest. Communication skills in our study were measured in terms of profitability—which was most logically related to the dependent variable (firm sustainable growth). Architectural firms provide services to customers through visual, written or oral communication and their sustainable growth to a large extend also depends on how effective and efficient are these services provided. These findings are supported by literatures (Mayhew, 2014).

The third contribution of the study is that it was conducted at the macro level. The dependent variable was not individual performance but the performance of the firm as a whole. Of course, in the case of micro and small firms like those used in the present study, the entrepreneur–leader tends to have direct influence on every aspect of the business. Thus, what

the entrepreneur-leader thinks and wants tends to affect firm outcomes more directly than in the case of larger firms with multiple partners.

Forth, these results have practical implications for facilitating sustainable growth. The (SHRM) skills findings are relevant to selection and recruiting of applicants. Leadership skills are best developed through training and experience. Once firms understand the role of critical thinking in everyday decision making, they can begin to take steps to develop that skill in their leaders and employees. Improving communication skills is an art that comes with regular practice and the art of communication is the language of leadership.

Fifth, we added to knowledge about entrepreneurship with this first empirical study of (SHRM) skills on sustainable growth of architectural firms. Results in this study shows that leadership skills is a much stronger predictor of sustainable growth because of more significant indirect effects through critical thinking skills and communication skills. Consequently, the significant correlation between leadership skills and sustainable growth also deserves further study in the entrepreneurship setting.

In conclusion, these results may be useful to academics, managers of firms, and Nigerian Institute of Architects/Architects Registration Council of Nigeria including micro and small business practitioners with interest in the Nigerian economy. Finally we suggest that future research replicates this study in other developing economies, in order to enhance the understanding of the role of (SHRM) skills on sustainable growth of architectural firms in such economies.

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