THE IMPACT OF EMPLOYEES PERFORMANCE ON THE SUCCESS OF CONSTRUCTION INDUSTRY IN NIGERIA

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Abstract: The study investigated impact of employee's performance on the success/failure of construction industry in Nigeria. This was achieved by assessing the effect of employee's orientation on resource utilization and evaluating employee's output on the success of the construction industry in Nigeria. The data was obtained from 38 project managers from different companies operating within the Federal Capital Territory, Abuja. Random purposive sampling was used and all construction companies contacted responded representing 100%. Data collected were analyzed using the Structural Equation Modelling (SEM) using SmartPls. The findings revealed a positive strong relationship between all the explanatory variables and success of the construction Industry in Nigeria. The study concluded that employee's performance has impact on the success of construction industry in Nigeria. The study recommends that all construction companies must come together to have a common code of ethics and practice for operating in the country as well as have shared values. Also, the construction companies should provide enabling environment that will ensure that customer's satisfaction is always achieved.

Keywords: Construction Industry, Employee's Performance, Gross Domestic Product and Professionals

Introduction

The new century has brought with it several changes and hence, challenges to the construction industry and the professionals who operate within it. In addition, there are also the construction industry specific problem of fragmentation and merging or sharing of professional service boundaries. According to Khairuddin (2002), the construction industry is a fragmented industry which comprises large and small firms, comprising developing firms, consultancy service firms, construction firms and manufacturing firms. The industry comprises overlapping markets in forms of size, geographic location, type and projects complexity.

Globally, the construction industry is a significant contributor to its respective economy as it cuts across all aspects of human activity (Delic et al, 2013). The construction industry provides employment opportunities to its labor force while contributing immensely to the Gross Domestic Product (GDP) (Makhdoomi, 2018). According to Chukwuka (2016), the contribution of the Nigerian Construction industry to the economy is about 11% of GDP and provide 4% of total employment as against those of the western world like the United Kingdom and Australia where the construction industries are responsible for about 25% of their respective GDP.

Nigeria's construction sector faces a myriad of challenges, including project delays, budget overruns, and quality concerns, often stemming from workforce-related issues such as inadequate skills, low productivity, and ineffective project management practices (Alinaitwe & Aji, 2021; Edeko, 2020). Thus, understanding the nexus between employees' performance and industry success is paramount for addressing these challenges and fostering sustainable growth. Employee performance in the construction industry encompasses various dimensions, including technical proficiency, productivity, teamwork, communication, and adherence to safety protocols. High-performing employees play a pivotal role in ensuring the timely completion of projects, cost-effectiveness, quality assurance, and client satisfaction, thereby bolstering the industry's reputation and competitiveness (Edeko, 2020; Oke, 2019).

Despite the widespread of acknowledgement of the important role of employee's performance, there is a gap in empirical literature examining the association between employee's performance and the success of construction industry in Nigeria.

Specific Objectives
1. To assess the effect of employee's orientation on resource utilization on the success of the construction industry in Nigeria.
2. To evaluate the effect of employee's output on the success of the construction industry in Nigeria.

Research Hypothesis
1. Ho: Employees orientation on resource utilization does not influence success in the construction industry in Nigeria.
2. Ho: Employees output does not influence the success of the construction industry in Nigeria.

Literature Review

Employees Performance

Individuals are evaluated on their ability to work under pressure, adaptation to working style, skill acquisition and motivation to perform for the organization. Team leaders, supervisors or managers perform analysis of employees working under them depending on several factors such as daily activities, roles, targets, plan and overall, their value to the organization so that they can consider a pay rise or position hike for them.

Today, projects have shorter deadlines, and demand more effective results. The demand for skilled individuals is higher than ever before, as newer technologies are now being implemented across multiple industries. Employees have to bring perfection in each task to be more productive and earn at their potential. Professionals looking for a swift pay rise

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must give importance to their top tips for performance appraisal. A good appraisal goal consists of clear instructions mentioning the quantity and quality of the required work, challenging yet attainable work, and time frame of the work along with the percentage of the appraisal.

A performance appraisal gives an insight into the current potential of your working employees and their scope for future ability to perform specific projects. Employees need to be proactive and motivated about their performance to up skill themselves to offer more value to the organization. Higher an employee contributes to the organization, the more chances that they will get positive review back to gain topmost positions.

Employee Orientation

Researchers have used cultural idea like semiotics, rituals, ceremonies, stories and languages, along with theories from sociology, anthropology and social psychology to understand the behavior of individuals and groups in an organization (Ouchi & Wilkima, 1975). There are differences between researchers in terms of what they consider to be relevant factors to examine how subjective or objective, conscious or unconscious, they employ these terminology and constructs. The commodities among these groups were well explained by Rousseau (1990), who also proposed a framework comprising underlying presumptions, values, behavioral norms and expectations and a more extensive pattern of conduct.

Pearson argued that a cultural tradition revolves around values, which were described as components of a common symbolic system that act as a standard or criterion for choosing among the orientation options that are inherently available in a given circumstance. In this sense, fundamental principles can be viewed as internalized normative ideas that serve as the foundation for social norms and expectations. If these are even broader disseminated within a broader social grouping, there might be a value system. People can manage their life in a way that helps them select roles, jobs, and even organizations that are congruent by drawing on underlying principles. It was suggested by (Albert & Wolten, 1985) that people might be drawn to groups they believe share their ideas. Organizations also make an effort to choose candidates who are likely to share their beliefs. After that, individuals who do not fit in are expelled while newcomers are further socialized and absorbed. Values serve as the foundation, and selection, and socialization procedure work in tandem as complementary strategies to ensure that employees are well suited to their organization (Chattman, 1988). Therefore, the key to employee cultural fit may be the alignment of an individual's value with those of a company (Chelapat, Komer & Kibet, 2019).

Individual Characteristics

Human capital theory explains the entrepreneurial outcomes in an individual's knowledge to the outcome value to a firm (Becker, 1962). Education provides a source of human capital because it enables individuals to gain explicit knowledge necessary for task performance. Functional knowledge of day-to-day business operations that is obtained through educative development seminars, workshops and conferences that are organized by universities, vendors etc. provide the basis for building occupational and industry specific human capital, which enhances the job performance (Tesluk & Jacobs, 1998)

Research Framework

The primary variable of interest of the study is the dependent variable of success of construction industry in Nigeria. The independent variable that may affect the dependent variable are employee orientation on resource utilization and the output of the employees. The dependent variable (Success) is measured by customer's satisfaction and completion time line. The relationship between the dependent and independent variables are shown in figure 1
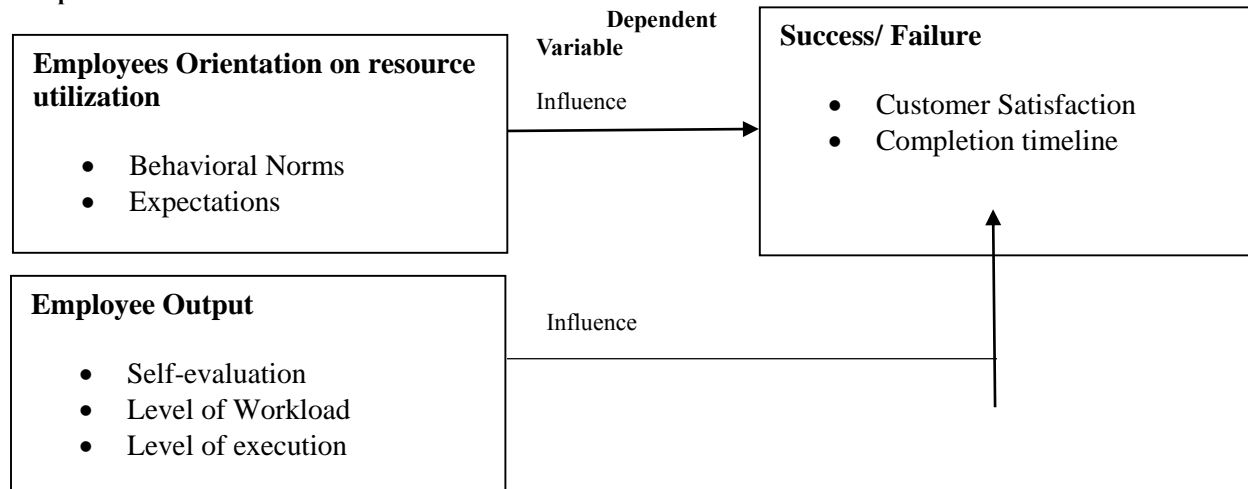
Independent Variable

Figure 1: Conceptual Framework

Research Method
The data for the study were obtained from 38 projects mangers of construction firms operating within the Federal Capital Territory of Abuja. Random purposive Sampling was used for the study and all the project managers contacted responded representing 100%. This was as a result that one of the Project Manager was the National President of one of the institutions in the built environment using his position to get 100% response from the respondents. It was constructed to serve a very specific need or purpose where one has specific group in mind (Project Managers). The strategy was to zero in on the target group, interviewing only the Project managers in the construction company visited. The approach to the study was the decision on what needs to be known, and getting the right people to provide information by their virtues of their knowledge and experience. This refers to managers of construction companies within FCT, Abuja, who know much about their respective companies and are both able and willing to share knowledge with the researchers.

Management of variables
The variables for this study were defined as follows:
Employees' orientation on resource utilization: the constructs are behavioral norms and expectations
Employees output: Self-evaluation, Level of workload and level of execution.
Success factors: customers' satisfaction and completion timeline of projects
The analysis was done using Structural Equation Modelling (SEM)

Table 2: Discriminate Validity test

Variable Descriptives	Employees Output	Employers Orientation	Construction Industry success
Employees Output	0.670		
Employees Orientation	0.5252	0.7660	
Construction Industry Success	0.4996	0.4247	0.7121

Data Analysis and Results
Measurement Model
Before the results from SEM can be relied on, it is necessary to consider its conformance to various validity and reliability checks. Constructs validity was assessed using the convergent and discriminant validity tests.

Convergent validity
This is the degree to which items measuring the same concept are in agreement (Rouibah, Romoyah & May, 2001). The factor loading and composite reliabilities all exceed the 0.5 and 0.7 benchmark respectively. With composite reliability ranging from 0.770 to 0.894 and a minimum factor loading of 0.602, this was enough testimony of convergent validity.

Table 1: Convergent Validity test

Variable Descriptives	Nature of variable	Cronbach Alpha	Number of items
Employees Orientation	Independent Variable	0.894	2
Employees Output	Independent variable	0.770	3

Discriminant Validity
The discriminant Validity was used by examining the squared correlation between constructs and square root of AVE. the result clearly shows adequate discriminant validity since the items load strongly on their own than others. For all the constructs, the square root of AVEs was more than the square correlation indicating discriminant validity.

Structural Model
Two main hypotheses were tested by the path analysis. For the first hypothesis, employee's orientation were seen to have a significant causal relationship with success of construction industry (β = 0.656, P<0.05). Employees' output was seen to have a significant causal relationship with success of construction industry (β = 0.419, P<0.05). Employee's orientation on resource utilization had a greater impact on success of construction companies in Nigeria.

Table 3 Structural Equation Model

Hypothesis		Beta	Std error	P-Value	0.05
H1:	Employees' orientation- success	0.686	0.019	36.513	Significant
	Employees' orientation- Output	0.836	0.007	67.686	Significant
H2:	Employees output - success	0.419	0.49	8.567	Significant
	Employees output - Orientation	0.921	0.31	307.569	Significant

Discussions
The impact of employee performance on the success of Construction industry in Nigeria is presented on table 2 and 3. Two variables were used to explain and predict the impact of employee's performance on the success of the construction industry in Nigeria. A conformance check for validity and reliability were carried out before using the result of the SEM

The corporate reliability and factor loading 0.7 and 0.5 benchmark respectively. Corporate reliability for employee's orientation is 0.894 and employers' output 0.770 with a minimum loading of 0.602. This represents good convergent validity.

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The results also show adequate discriminate validity as the items load strongly on their own. For all the constructs, the square root of AVEs was more than the squared correlations. For employees' output is 0.6710, employee's orientation is 0.7660 and success of construction company is 0.7124. With first hypothesis, employee's orientation has a significant causal relationship with success of the construction companies with β = 0.686 and p-value 0.000 which is less than α (0.05).

With the second hypothesis, employees' output has a significant causal relationship with success of construction companies with β = 0.419 and p-value 0.001 which is less than α (0.05).

Conclusions

Collectively, the two explanatory variables had significant impact on the success of construction industry in Nigeria. The findings of the study revealed that all the null hypothesis for the study were rejected and confirmed that all the explanatory variables used in the model have significant impact on the success of the construction industry in Nigeria. The result also posits that employee's orientation on resource utilization creates enabling environment for construction industry to thrive and thus success is promoted in the construction industry. Meeting employees' expectations are likely to result in commitment of the employees to the service of the construction company. The result also shows a significant relationship between employer output and success in the construction industry by way of level of execution of projects by the project managers. Finally, from the study, there is a strong justification of the positive impact of employee's performance on the success of the construction industry in Nigeria.

Recommendation

Based on the findings of the study, the researchers recommend the following

1. The construction companies should provide enabling environment that will enable employees perform their duties/functions to ensure that customer satisfaction is always achieved. For example, companies should have a template that spells out the behavioral norms and expectation of the individual employees.
2. All construction companies must come together to have a common code of ethics and practice for operating in the country as well as have shared values.

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