

CURRENT SCENARIO OF HUMAN RESOURCE SKILL AND MANAGEMENT IN THE FIELD OF REAL ESTATE IN BENGALURU

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Abstract

Human resources are an essential part of an organization that carries out different functionalities such as management, production, accounting, sales, marketing, and others. Therefore, it is essential to coordinate and organize the workforce so that maximum output is achieved from them. The human resource department (HRM) is responsible for carrying out the specialized task of maintaining coordination and cooperation in the firm so that different organizations' work is carried out effectively. The current study examines the human resource skills who are working in the construction industry and the real estate sector in Bengaluru city. The study examines that the requirement of human resource skills such as decision-making, problem-solving, coordination, coaching, and others are essential to establish work coordination in real estate in Bengaluru. The study also describes the state of the real estate sector in Bangalore and provides information about factors affecting the management of human resources in real estate.

Introduction

The concept of human resources is not new and many types of research have already been regarding its conception, practices, relevance, scope, and limitations. However, there have been controversies regarding the role of human resources and their skills requirements owing to different working styles in different industries (Bratton & Gold, 2017). Human resources (HR) are regarded as the most essential part of the organization that is responsible for carrying out recruitment, selection, hiring, training, and administering workforce beneficial measures or initiatives. HR plays an important role in coordinating the workforce with a fast-changing environment and meeting the demand of the employees so that they could be retained for a longer duration of time within the organization (Ulrich, 1997). In order to fulfill the different responsibilities, human resources requires certain skills such as communication, conflict management, decision making, ethics, organization, compensation, and others so that they could handle the vulnerabilities that are occurring in the construction industry real estate segment in Bengaluru (Waung, McAuslan, DiMambro & Mięgoć, 2017). There is a specialized human resource skill requirement in the construction sector in Bengaluru because the real estate segment is classified in the organized and unorganized sector. To handle the diversified workers and their working style special skills are required by the human resource to meet the rising demand of the diversified work culture in the construction industry. Bengaluru is regarded as the Silicon Valley of India and grown incessantly with the growth of information technology (IT) and IT-enabled services (ITeS) industry. It surged the demand

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for real estate in which 55% of housing needs of more than 800,000 IT/ITeS professionals are met by organized real estate market (Sheikh, Dash & Sharma, 2017). Hence, the human resource needs to hire employees and workers so that increasing demand for real estate is met adequately. For example, the human resources managers in Larsen & Turbo Group (L&T) recruit a talented and compassionate workforce that execute tough projects in scheduled time with high-quality aspects. The HR managers conduct individual learning, technical training, and functional development programs so that the skills of the employees are further enhanced. The HR managers also ensure that ethical standards are followed by complying with the directives stated under Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act 1996, Industrial Disputes Act 1947 and other amendments. It ensures that high work standards are followed in the company and the company can meet the customer's requirement with high-quality delivery of projects.

Research Objectives

- To study the requirement of human resource skills in real estate in Bengaluru.
- To understand the current scenario of human resource management in the field of real estate in Bengaluru.

Literature Review

Introduction

According to **Mathis & Jackson (2011)**, Human resource managers form an integral part of the company who facilitate good and healthy association between the different team workers, departments, and sections within an organization. The HR adopts differential roles such as administrative, operational, and strategic so that positive work culture is developed within the organization. While focusing on the construction industry real estate segment in Bengaluru, it is formed of the organized and unorganized sector which requires special skills by the human resource to manage the diversified workforce adequately. For example, HR managers have to deal with the direct recruitment restrictions in Bengaluru real estate construction site as they are mostly limited to off-site residents. It is because the engineer prepares the work plan every week and the HR has to recruit workers accordingly. Hence, the HR managers require communication, coordinating, negotiating, and decision-making skills to carry out the recruitment and hiring process in a short duration of time. In respect to this, the HR employs a direct recruitment strategy in which the required workers are hired based upon their qualifications and informal discussion with the contractor or agents. The workers who are

suggested by existing employees are taken into consideration and recruited based on recommendations.

Real Estate Graduates and Employability Skills

According to Poon, (2012) the real estate education segment has experienced dramatic changes over the years to meet the changing demands of the construction industry and meeting the emerging needs of the real estate sector. The real estate education is provided by different institutes such as Real Estate Management Institute (REMI), Institute of Real Estate (IIRE), NIREM Institute of Real Estate and Construction Management, SVKM's NMIMS University, Hiranandani Institute Of learning, and others. The different educational organizations provide education and learning to the students through different courses such as executive courses, management programs, certificate programs, customized training workshops, and others in different real estate and construction fields. It includes channel development & management, market analytics, retail and project marketing of properties, and others. **Poon et al. (2011)** through his study examined the facts related to the employer's expectation from the real estate graduate and identified the gaps that were prevailing between the employer's expectation and the learning gained by the graduates. The study examined that a two-stage process is involved in the recruitment of real estate graduates. The first stage includes an assessment of the skills of the graduates by HR managers in the form of tests to analyze the candidate's capability, skills, attitude, and aptitude. On the other hand, the second stage is related to the competency assessment in which face-to-face interviews are held with the senior technical staff of the construction or real estate firm. Hence, it can be said that the HR managers act as stringent gatekeepers for hiring the graduate candidates within the firm. Additionally, the HR managers also enhance the capabilities and skills of the graduates by providing them the Assessment of Professional Competence (APC) training so that they become efficient analysts and surveyors.

Archer and Davison, (2008) examined that HR managers mainly look for specific skills such as reliability, scholarly capability, self-belief, temperament/personality, scheduling, and business skills and investigative ability and decision-making skills among the graduates so that they could easily accommodate themselves with the work style of the real estate sector. All these skills such as planning, investigative ability, and decision-making, and others are essential for the graduates to deal with the different work procedures such as designing, construction, labor management, legal aspects, procurement, and others. However, certain skills such as lack of marketing attentiveness, investigation and decision-making proficiency, interactive capabilities, literary skills such as good writing abilities, enthusiasm, pertinent

work experience, scheduling, and managerial expertise, buoyancy and personal development handiness were missing in the graduates which highly impacted their employability aspects negatively. The reason behind it is that the graduates were not able to meet the skill demand required for working and sustenance in the construction industry.

Real Estate Development in Bangalore

According to **LJ Hooker (2014)**, the real estate industry in Bengaluru City is considered as the most stable industry which has been performing much better than the real estate sector in other parts of India. However, the Bengaluru City real estate sector suffered from certain issues of decreasing margins and increasing oversupply like other states such as Gurgaon. As a result, slow growth was recorded in the real estate segment with less than 2% and less than 5% contribution towards the Gross Domestic Product (GDP) of the country. As per the Mid-Year Report (2014), it was found that the real estate sector in Bengaluru was suffering from an oversupply of premium segment housing properties belonging to the category of Rs 1-3 crore by 218% in the last quarter of the financial year 2013. It created a lot of pressure on the constructors and forced them to liquidate their inventories amounting to Rs. 65,411 crore in the second half of the financial year 2014. As a result, there was a negative impact on the real estate sector and a drop of 13% was observed in the launch of new projects. The sales propositions reduced by 3% as 100,968 residential units remained unsold during the financial year 2014. Hence, it can be said that the real estate sector is going through a tough phase in Bengaluru and needs a positive boost to raise its levels from the lower ratings. **Sheikh, Sharma & Dash, (2017)** examined that ethical and professional practices have been introduced in the real estate sector in Bengaluru which has reduced the negativity that was prevailing in this segment. **Sharma, & Newman, (2018)** examined that the introduction of the metro rail increasing the value of the real estate in the city. The commencement of metro rail lining has increased the value of land across the Metro corridor and a significant change is observed in the land use and population densification in these regions. As a result, due to the initiation of the metro project in Bengaluru, there is a significant increase in the demand for office and retail spaces near the metro station locations. Additionally, a considerable boost could also be observed in the residential or housing demand within the 1 km radius of Metro station in Bengaluru.

Human Resource Management in Real Estate

According to **Phillips & Roper, (2009)** due to the presence of extreme competition in the real estate sector, there has been a gradual shift from product supply to retaining and attracting human resources who are considered as intellectual assets of the company. The structure of

the competition has changed over the years and now at present the real estate companies are competing for the acquisition of better skills and talents within the firm so that average market share and profit earning capacities are increased. The Human Resource Management (HRM) segment in the real estate segment plays an important role in carrying out the recruiting and hiring process. The HR managers use communication skills to establish an association with different recruiting agencies and adopt analytical, decision-making skills to recruit, select, hire, train, and deploy in the firm so that organizational work is carried out effectively. The HR managers adopt problem-solving and coordinating attitudes while monitoring the internal operation of the real estate company to ensure that work is carried out ethically, legally and in a safe manner. The managers also use evaluative skills to analyze the performance of the employees and adopt coaching or mentoring skills to motivate the employees to perform better so that organizational set goals and targets are achieved significantly. However, the management of human resources in real estate is affected by competition present in the market and the HR managers have to make changes in their working styles as per the changes occurring in the market.

Human Resource Management in Bangalore

According to Agrawal & Thite, (2003) the Human Resource Management (HRM) in the software industry in Bangalore, the HR managers faced a lot of challenges and difficulties while managing the employees working in the IT sector. The major concern issues were voluntary attrition, teamwork coordination problems, work preferences, work-life balance, ownership, and others that impacted the working of the software company negatively. Hence, the HR managers have to adopt different strategies such as creating learning opportunities, developing a conducive work environment, facilitating wealth generation, and others to ensure work is carried out constructively. The HR managers of Infosys which is a leading IT company in Bengaluru with the strength of 127000 employees adopt differential strategies to ensure there is smoothly working in the firm. The HR managers adopt the right compensation policy to ensure that the voluntary attrition rates are reduced to a minimum. The employee attrition rates were recorded to be 30% in HCL and 9% in Microsoft in the year 2004 so that companies adopted compensation policy to reduce employee retention issues. Additionally, the HR managers also introduced training and development programs for employees so that could adjust to the work environment and provide hundred percent contributions to the organization. **Sitzmann, (2010)** examined that surveys and feedbacks were also used as effective tools by the HR managers to establish communication, make performance appraisal of the employees so that is motivated to serve the firm constructively. All these attributes and

strategies that are used by the HR managers in the software industry could also be used by the managers in the construction industry to enhance the firm's productivity and profitability levels.

Findings And Discussions

As per the above-discussed literature review, it can be said that human resources form an integral part of the firm that is responsible for carrying out different work, operations, and functionalities in the organization. It was also examined that the human resource department performs recruitment, selection, hiring, training, and other activities necessary for the smooth working of the firm. The study examined that in order to carry out different functionalities in the firm the HR managers require certain skills such as decision making, ethics, organization, compensation, and others which are randomly found among the present graduates who have passed from different real estate education institutions. As a result, a gap is created between the skills of the graduates and the practical talent or skills that are required to be implemented in the construction or real estate industry. It was examined that the real estate sector in Bangalore mainly caters to the needs of the information technology professionals as most of the population in the city is engaged in IT or software work. Hence, the HR managers of the real estate industry need to understand the needs and demands of the population of Bengaluru so that the real estate, property or housing needs and demands of the consumers will be fulfilled adequately. The study also established a comparison between the software industry and the real estate industry so that the HR practices that are practiced in the two different sectors could be analyzed and appropriate strategies could be adopted by the real estate HR managers to ensure smooth working like the software industry. It was examined that the real estate sector in Bengaluru is experiencing a rise because of the commencement of the metro line. It has also increased the value of land across the Metro corridor and augmented land use and population densification in these regions. Hence, the real estate HR managers have the right opportunities to grow and expand their company functionalities by using the useful HR strategies adopted from the software industry.

Conclusion

The concept of human resources was analyzed in the study and found that the workforce forms an important element of the organization to carry out different work functionalities such as production, sales, accounting, and others. In order to manage a large workforce appropriately skilled labor is required who can coordinate and manage the workforce constructively to perform company work. The human resource department plays a vital role in carrying the responsibilities related to the management of the workforce. It also carries out

other functionaries such as administrative, operational, and strategic so that positive work culture is developed within the organization (**Mathis & Jackson 2011**). It was also found that the construction industry in Bengaluru is highly vulnerable and requires the active involvement of HR managers so that the rising demand for the diversified work culture in the construction industry are met accordingly. The study also provided relevant facts about real estate graduates and employability skills and highlighted the differences that exist between the skills of real estate graduates and the skills demanded by the real estate industry.

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