Abstract. It has been widely recognized that activities practiced by human resources management (HRM) significantly influence business performance of any company. However, quantification of that relationship has not been researched enough to provide a tool for practitioners by which they could increase their business result. Therefore additional scientific contribution on the subject would be valuable and that is the very purpose of this paper. Authors of this paper have researched what is the impact of HRM activities in construction industry in Croatia. After an insight into a theoretical background about influence of HRM activities on business performance, this paper presents results from their own study. The research was conducted over actual financial results realised before and during the period of recent economic crisis, from 2007-2010. Data was collected using financial data base Poslovna.hr and the opinion poll conducted in more than 30% of middle-size construction companies in Croatia. Data was analysed using frequency analysis, analysis of correlation coefficients and finally by construction of multiple linear regression models. Results of the research suggest that people working in construction have reached the subsistence level income. Constructed multiple linear regression models indicate that, among other human resources activities, the material motivation activities have the most significant positive impact on business result. Professional selection of candidates, life long learning, supportive organizational culture and other non-material measures remain for the benefit of some future times.