HRM in Project-oriented organization: Theoretical aspects

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Abstract

The article discusses the problem of human resource management (HRM) in project-oriented organization. Project management has come to play a central role in the management of organizations in almost all fields of human activity. Projects are today a key part of the organizational structure and a determining factor for other supporting processes and systems – human resource management being one of the most important ones. It is also clear that the organization consider well-functioning HRM to be essential for efficient and effective project operations.

Key words

Human Resource Management (HRM), Project-oriented organization,

Introduction

The human resource is the one of important resources for successful development of every organization. Several researchers L. Pickett (2000), P. Sparrow, R. Schuler, S. E. Jackson (2000), P. Evans, V. Pucik, J. Barsoux (2002), J.C. Hayton (2005), Pfeffer, (1998) have proven convincingly, that HRM is one of the most sensitive and important fields of action for the future success (L. Peisenniece, T. Volkova, 2010). The issues and problems of knowledge management in project-oriented organizations have been put at the fore in such contexts (Gann & Salter, 2001; Lindkvist, 2004). Literature on project-oriented learning has also pointed to the important role of projects for learning and building knowledge in the organization (DeFillippi, 2001). It should thus not come as a surprise that competence and knowledge management are emerging as important facets for understanding HRM in the companies under study. Still, we would argue, only modest attempts have been made to understand the competence issue of HRM (Soderlund, Bredin, 2006). Competence issues within human resource management have been stressed in the literature (Barney, Wright 1998, Lengnick-Hall, Lengnick-Hall 2003).

However, Heumann, et. al. (2007) suggests that specific features of the project-oriented company create specific challenges for HRM in that context, which are not widely recognized in the general management, HRM or project management (PM) literatures.

Project oriented working is widely adopted in companies (Whittington et al., 1999). Researchers have started defining and analyzing the value of project management in organizations (Thomas and Mullaly, 2008). Although organizations and management scholars have indicated that the adoption of “Managing by Projects” (Gareis, 1990) as organizational strategy in a company should have fundamental effects on supporting functions such as the Human Resource Management (HRM) (Knight, 1997), project-oriented companies are struggling in aligning HRM to the needs of project-oriented companies and changing HRM, when developing into a project-oriented company seems to be often neglected in practice (Heumann, 2010).

“Management by Projects” is considered as the organizational strategy of the project-oriented company (Gareis, 1990, 2005). The company applies temporary organizations such
as projects and programs to perform business processes, when appropriate (Gareis, Stummer, 2008). Temporary structure such as projects and programs lead to organizational differentiation within companies, which therefore also require specific integration structures, such as, project portfolios, expert pool or a Project Management Office (Heumann, 2010).

Discussion

Project-oriented companies have dynamic boundaries and contexts. The number and the sizes of the projects performed are constantly changing, permanent and temporary resources are employed, and cooperations with clients, partners and suppliers are organized in teams, some of them are virtual (Gareis, 2005; Sydow et. al., 2004). Projects have been described as temporary organizations to bring about change (Turner, Muller, 2003; Turner, 2006; Gareis, 2005; Turner, Muller, 2003; Sydow et. al., 2004).

The implementation of project management in an organization can be considered as a change which touches different identity dimensions of the organization (Stummer, Gareis, 2005). A central dimension to be changed is “Human resources”, as personnel require new competences and skills. Thus every time a new project or program is started, the HR configuration of the organization must change. This might create pressure. It certainly impacts the work organization, and creates the need for new processes like assigning personnel onto projects, dispersement from projects, and processes for linking projects assignments to careers.

Therefore specific competences, knowledge and skills are needed by the project personnel to successfully work together in projects. These may be formally supported by the company or informally demanded by the nature of the project business (Heumann et.al., 2007). Capacities such as competence tracking and competence development are considered the core in an organization of HRM.

Knowledge, competencies, and skills developed by the project team members therefore need to be applied directly during the course of execution, thus facilitating its preservation within the organization following completion of the project, and thereafter, become available for use in subsequent projects. Owing to the limited scheduled time allocated for project execution, the speed of decision making is a crucial factor as it influences the effective actions and responses of distinct phenomena and problem solving. Therefore, knowledge gained and retained previously provides a means that allows project managers to employ a knowledge model and elucidate appropriate relations between the accessible knowledge and the current situation.

However, is still unclear and I interested in the following questions:

- What HRM challenges are organizations facing when projects become a fundamental part of the organization?
- What are the key roles of HRM in the project-oriented organizations?

Conclusions

Human Resource Management (HRM) is the most important functional in all organizations. It contributes to the success of the organization and creates competitive advantage for the organization. The way HRM practices and policies take shape also affects the employee’s experiences of work and the employment relationship. HRM is therefore important in any organization. The project-oriented company is no different in this regard.

However, projects and programs are temporary organizations. Projects are defined as temporary organizations with specific objectives, detailed tasks, restricted time, and budgets to deliver a service or product. Project teams, including the project managers and team
members, are responsible for the execution of each project. Once a project is completed, project team members disperse from the project either for other job opportunities or get reappointed to other succeeding projects.

Human resource management can be viewed as core processes of the project-oriented company, affecting the way the organization acquires and uses human resources, and how employees experience influence the employment relationship. The ideal project-oriented company has a specific management culture expressed in the empowerment of employees, process orientation and teamwork, continuous and discontinuous organizational change, customer orientation, and networking with clients and suppliers.

In projects, many organizations and individuals need to work together and interact with each other to share the knowledge, competences and skills. Knowledge is embedded in such individuals and should be transferred among other project team members.

Knowledge is now perceived by most organizations in project management as a vital organizational resource and the source of business excellence. Knowledge about HRM is produced by researchers and theorists who, through publishing their work in books and journals, construct knowledge in particular ways and in so doing frame the way HRM debates take shape in the academic and practitioner literatures. In most of the extant literature HRM is framed primarily in terms of large, stable organizations, while other organizational types, such as, those relying on projects as the principle form of work design, are marginalized in discussions about what HRM is and how it should be practiced.

The literature has found contradictory results regarding the impact of human resource management on project-oriented organizations. Project management is today’s spicy topic. Human resource management importance in the unique project environment is still unclear.

**References**


