Considering Human Resource Management when developing a project-oriented company: Case study of a telecommunication company

Martina Huemann

In this paper the case study findings indicate that in a project-oriented company Human Resource Management also needs to change from an administration function to become a proactive business partner supporting project-oriented management.

Project-oriented companies are struggling in aligning HRM to the needs of project-oriented companies. This paper reports a multi method case study of a telecommunication company, which has developed into a project-oriented company during the last 12 years (1997–2009). The project-oriented company is a social construct and has specific organizational strategy, structures and culture.

The implementation of project management in an organization can be considered as a change which touches different identity dimensions of the organization. The implementation of project management in an organization can be considered as a change which touches different identity dimensions of the organization. Project-oriented companies require adapted line HRM processes, such as recruiting, developing, appraising and ...

HRM in the project-oriented company is more decentralized, requiring HRM tasks carried out by the HRM department, line managers as well as project managers.

All the findings based on a telecommunication company in Austria which privatized in 1996. After privatization the company was very hierarchical, they need to decrease the no. of staff gradually and the HR department was itself very hierarchical. HRM was a reactive administration function. In this case: The company overall had to change from a hierarchical former state owned company to a modern project-oriented organization.

Project mg as a by-product:
Overall, there was an ever increasing demand for change in the company but very little potential to change at the beginning of the case study. This can offer an explanation why the process towards a project-oriented company rather happened as a byproduct and can only be described retrospectively.

On the one hand the increasing demand and pressures for this company forced the company to learn how to do projects. The less resources are available the more professionalism is required. On the other hand the company recognized the more professionally they manage projects, the better they are ready to manage the transformation of the company.

In this case study HRM has developed from a reactive administering function to a pro active business partner. They started themselves organizing their work project-oriented. HRM personnel are contributing to internal projects and some of the internal projects are managed by personnel from the HRM unit. Instead of a functional organization, the HRM personnel are generalists specialized on different personnel groups. Understanding project-oriented working, HRM can better support the project-oriented company and its requirements.

Table 1:
The company is an example that project management competences raise the potential for transforming a company and on the other hand the demand for transforming supports the professionalization of project management.

On the one hand HRM has an active role in developing a company towards a project-oriented company, by offering for instance adequate training for project management personnel; on the other hand it also needs to adjust career and incentive systems, as well as all HRM processes, to acknowledge project orientation. It can be looked at project as learning opportunities, projects as source of motivation and offering interesting working forms to employees.

**Reconceptualising line management in project-based organisations**

The paper provides a case description of a project-based firm (Tetra Pak) in a HRM perspective and how HRM issues that arise in project-based firms, and of changes in line management as a way of developing the capabilities to handle these issues. During a short period of time, the company under study was drastically changed from being a traditional matrix organisation into an innovative kind of project-based organization.

*Devolution makes line managers key players in the HR organization:* the devolution of HR responsibilities places new demands on line management. New approach to line management implies an increased focus on people issues and HRM. A range of studies argue that HR specialists should have a paramount role in organizations; but some Others see devolution as an increased “partnership” rather than a “trade-off” between line management and HR specialists.
Larsen and Brewster (2003, p. 230): the line manager roles in organisations become increasingly complex because new organisational structures (e.g. virtual and network organisations) have less well-defined line manager roles than the traditional hierarchical, bureaucratic organisation which moulded the line manager role in the first place.

Addressing the challenges for HRM in project-based organizations:
most HRM procedures have been designed for permanent organisations where each individual has a position, not for project-based organisations where positions are non-existent or are changed all the time”

The 4 key challenges in PBOs:

1. in a project-based context, a career is built on a series of projects. Accordingly, the individual needs to keep up a reputation and build on relationships in their project networks in order to ensure interesting future assignments. Also an individual has to take on the responsibility for the acquisition of the competencies demanded. These particular developments of individual responsibilities should influence the role of the line management function in managing the relationship to these “professional” project workers with greater responsibility for their own development, competence and “employability”.

2. projectification tends to create an organisation with a more short-term horizon. in a project-based setting, the only people with a full overview of the individuals’ work and development possibilities on a long-term basis are most likely the individuals themselves. This affects the possibilities of a project-based firm to handle and control the development of strategic competencies in order to stay competitive.

3. Third, projects rarely take into consideration the workload for the project workers in previous projects, leading to continuously high levels of work intensity among project workers. This might create a stressful work environment for people working in a project context; other studies pointed at the need for support mechanisms to handle long-term work situation and balance periods of intensive work with periods of low-intensive work appears to be difficult in projectified firms.

4. The difficulties in handling compensation and evaluation in project-based environments. In other words, projectification tends to separate performance from evaluation.

The case
Tetra Pak Processing Systems (TPPS) is one of three business areas within the Tetra Pak group and it focuses on the preparation and processing of liquid foodstuffs. Computerised automation systems for the control and monitoring of the processing systems is one of the fastest growing areas within food processing.

Need for changes
The change process started in the summer of 1999. The functions were broken up and cross-functional teams were set up as “physical” organisational units in order to enhance the creation of more permanent and efficient project teams. Competence centers, managed by competence coaches, replaced the functional units and constituted the base for day-to-day personnel issues such as competence development, assessment, work environment and assignment of projects. In the new organisation, each member of a cross-functional team also belonged to a competence centre managed by a “competence coach”. PE&A’s formal description of
the competence coach was: Focus on the competence. Provide the process with the right resources; responsible for the personnel within the competence centre; competence mapping; competence development; tools and procedures, application; support the process; resource and competence planning. The driving force was to diminish many of the problems related to the line manager role in the matrix organisation. By separating the personnel responsibilities from the more technical management responsibilities, the personnel issues would get more attention. The message in the new organisation was that there would no longer exist “line managers”, and there would no longer exist “line functions”. In the organisation, the competence coach role would be at the same hierarchical level as the former line manager role. The organization faced the new challenge to find right people for competence coaches and also to find suitable competence development programmes for the coaches.

The competence coaches and their work
Each competence coach is responsible for a competence centre of about 20-30 employees and work of the competence coaches varies to some extent. Normally, the coaches gather all the members of their competence centres once a week, providing a platform for informal discussions and enhancing the exchange of experiences within the same competence area.

For many of the coaches, resource planning and allocation is the single most time consuming part of their work. Competence development is another area of responsibility; The coach also makes performance reviews based on a three-party evaluation by the co-worker him/herself, the coach and a third party (usually a project director or someone else that can make a well-founded evaluation of the individual's performance). On a day-to-day basis, the coaches are involved in everything that has to do with the individuals’ work situation. Another concern for many of the coaches is the overtime rates. Even if they are not alarming, people tend to work rather too much than too little.

The competence coaches are formally coached by the process owner, but they also attend monthly coach meetings called by the HR manager.

Future challenges
The main problems raised were related to the actual possibilities to take on the responsibility for each individual’s competence development and work situation, both in the short-term and in the long-term. Moreover, the competence coaches say that the every-day problems, and “putting out fires”, together with resource planning for the projects takes up a large amount of their time, which makes it hard to find the time for strategic competence planning. Another interesting observation is that both managers and coaches have noticed the decreasing status level of the competence coaches.

The impact of the project-based organisational context
The project workers are taking on more responsibility, their work is difficult to track and assess, the high levels of work intensity and important project deadlines make it difficult to plan and arrange for formal competence development programs. Moreover, the stress levels and overtime rates are important issues, due to the increased individual responsibility in combination with the continuous pressure of meeting project deadlines.

Major impacts: The responsibilities that emerged as core responsibilities for the competence coaches were supporting individual project workers and planning their project participation, long-term competence development, performance reviews and assessment, and work-life balance issues.

With regards to the difficulties of handling compensation and evaluation in project-based organisations, the case suggests that the line manager role moves from “direct assessment” to that of acting as an “assessment hub”. The case also suggests that line management in project-based organisations moves away from managing and supervising functional activities to managing competencies and people.
Concluding remarks
The “competence coach role” or similar ideas of line management seem to be particularly important in project-based organisations. The case study also touched upon the possibility that projectification offers for operating on a more fluid and open labour market, which would certainly have an important effect on the responsibilities of the competence coach. This study emphasises the importance of not only looking at organizational forms and structures, but also at issues of HRM and the change of the HR organization.

LECTURE 2

A Nurse and a Civil Servant changing institutions:
In this paper, we take a Schumpeterian point of departure, and claim that entrepreneurship exists in all types of settings and is constructed in time and place. The notion that there is a strong connection between entrepreneurship and the private sector has resulted in entrepreneurship in the public sector being underestimated. This leads to theoretical, practical and political shortcomings. This paper has 2 case stories of first the Nurse and the time-tables, and then the Civil Servant and the alternative providers.

Organizational entrepreneurship in the public sector
Entrepreneurship within large organizations has been discussed in terms of corporate entrepreneurship and intrapreneurship. In this article, we use the concept entrepreneurship to even cover entrepreneurial actions and processes within the organizations. The underlying process nature of entrepreneurship is fundamentally the same across contexts, according to Morris and Jones (1999). In the public sector, they argue, entrepreneurs need to possess strong political skills, the ability to develop power sources, use the media, redesign the system, etc.

Institutional entrepreneurship
A definition of institutional entrepreneurship that is widely applied is DiMaggio’s (1988, p. 14): ‘New institutions arise when organized actors with sufficient resources (institutional entrepreneurs) see in them an opportunity to realize interests that they value highly. The institutional entrepreneurs we focus on, are individuals who ‘break with the rules and practices associated with the dominant institutional logic(s) and thereby develop alternative rules and practices. On the individual level, the key word is without doubt, legitimacy, i.e. the importance of creating legitimacy among diverse stakeholders.

Contextual preconditions in the Swedish public sector
Public organizations, like the ones in focus here; do not have a profit motive. (but are guided by political and social objectives), receive funds from taxpayers (and allocate them based on equity considerations), and produce services that have consequences for people other than the immediate consumers (and are held accountable for such indirect consequences).
Sweden, using Esping-Andersen’s (1996) term, has a Scandinavian Welfare Model. The country has a relatively large public sector, which is responsible for the care and welfare of the populous of all ages. The Swedish public sector has been subject to many changes over the last 20 years. The vigorous expansion, and not in the least, its economic consequences, led to the whole public sector being called into question.
Market orientation, devolution, managerialism and use of contracts are main characteristics of NPM, implying a component of private sector solutions to public sector problems. NPM sometimes challenges the balance of power between managers and doctors—the traditionally leading profession of the sector (pointed to the case that we r going to study about it).

Sweden, from an international perspective, has a decentralized system and a strong tradition of consensus and inter-party deals. Consequently, the reforms have been less top-down and instead, characterized by a series of actions adding up to a coherent programme.

Entrepreneurship, institutional context and change: the framework summarized
To change institutions entrepreneurs need freedom of action and legitimacy. On the individual level, the ability to create alliances and use sponsors are among the vital social skills needed. On the organizational and sector levels, not only the prevailing rules and practices, but also the degree of turbulence at the specific time and place have an impact.

In the healthcare sector, the dominance of the doctors over the nurses may be regarded as an example of an institution, and the Swedish public sector was in turbulence during the period of study.

The Nurse and the Civil Servant—public sector entrepreneurs
The nurse who was working in a hospital in Sweden initiated many changes like time tables for visiting patients (flexi-time). As a union leader, she decided how the employees should be time-tabled, in detail, in negotiations with employer representatives. She found this centralized decision making of how to organize the work absurd. In other parts of the Swedish labour market, ‘flexible work time’ was being used and the responsibility to solve problems associated with the distribution of working hours... She reformulated the decentralization of the time-table to a question of equality between women and men. Her arguments in her application were that with the new system, female dominated groups would strengthen their position in the organizations and thereby on the labour market. It took a number of years before the system was adopted. It is now used in all areas of the hospital and other parts of the County Council. The case illustrates how the Nurse had to leave her nursing (semi)profession and move into administration to fulfill her vision.

The Civil Servant and the alternative suppliers
The Civil Servant has been employed by public sector organizations (first as a telephonist). She enabled individuals employed by the public sector to become owner-managers and suppliers of goods and services to the public sector and the story goes on...:

Discussion
In both cases, the entrepreneurs saw a problem in their organization and identified organizational solutions, which after some time proved to be in line with the NPM inspired trends. This latter fact facilitated the institutional change that took place, but the entrepreneurs, their ideas and efforts were necessary for the processes and decisive as to the local outcome. The Nurse and the Civil Servant were the creative engines of the local entrepreneurial processes and made tactical use of the NPM-inspired ideas.

Freedom of action is not enough to change institutions, and so legitimacy becomes the key word. Many have emphasized that institutional entrepreneurs need social skills and alliances but in our cases, alliances within and without the organization became extremely important, since none of the entrepreneurs were in top positions.
Persistence despite all criticism and hampers: Common to both entrepreneurs are not only the strong opposition encountered, but also their persistence in these processes. The processes take ‘two steps forward and one step back’, but these institutional entrepreneurs persistently continued forward. The proactiveness and persistence of the entrepreneurs eventually resulted in institutional change. The cases show that institutional entrepreneurship is not only embedded in space, but also in a specific time.

**Standardization, Globalization and Rationalities of Government**
A political rationality both inspires and constrains the development of concrete programmes and the choice of appropriate *technologies of government* to operationalize them.
‘bio-power’, comprised an amalgam of cameralism and disciplinary power: it sought to normalize the sexual and reproductive behaviour of the governed in order to give effect to a new focus of government: population policy. The distinctive feature of liberal rationalities is the treatment of the governed not as the objects of rule, but as formally free *subjectivities* to be engaged with and coordinated.

**The Coming of Standardization**

**The Birth of the National Standards Body**
Standardization gained an altogether new dignity with mechanized production, as the old crafts’ unique artifacts gave way to homogeneous manufactures with interchangeable parts. High-volume munitions and arms industries greatly encouraged standardization as a basic principle of process and product engineering. Now governments promoted national standards bodies (NSBs) as harbingers of industrial progress and facilitators of trade through the issue of ‘specifications’ appropriate to export markets. NSBs could also become a vital part of national development strategies, including basic industrialization and national economic integration, as in Australia.

When World War II broke out, NSBs were sufficiently integrated into public economic management and scientific research establishments to prove invaluable linkages in armaments and munitions production. Once public regulators ‘called up’ a standard, it ceased to be voluntary and instead became ‘mandatory’—or more colloquially, ‘grey-letter law’.

NSBs’ most significant conquest occurred in management standards, starting with those focused on ‘quality’.

The publication of the ISO 9000 standards in 1987 triggered a boom industry, to the benefit of NSBs and ISO alike, in the sale of quality management standards and certification thereto. The more entrepreneurial NSBs (and ISO in their wake) treated quality management standards as icebreakers for a raft of other management standards, including ones covering environmental management, risk and knowledge management, etc

**ISO and the Rise of International Standardization**
ISO’s significant watershed came as early as 1970, when it decided it would not only issue ‘recommendations’, but also publish hitherto unheard of *international standards* to preempt the content of the relevant national standards. Ideally, NSBs would reissue ISO’s products, with minimal or no changes, as national standards. This represented a qualitatively higher level of ambition and a change of function for ISO.

It was not only intensified trade in goods that has stimulated the uptake of international management standards. Corporate mergers and all manner of ‘symbolic trade’ in capital, currency and intellectual property have also contributed to the burgeoning market in standards and other regulatory regimes. A common mechanism in ‘going global’ is to build strategic alliances and acquire established businesses in target overseas markets.
Standardization and Neo-Liberal Rule

Power, (1999: 42–60) notes, the rise of quality management in particular, and its diffusion into many aspects of public and private organizational life, constitute one of the main factors driving the audit explosion. Quality has to be made auditable, which focuses attention on the formalities of managerial processes rather than on the substance of what they produce. With the arrival of audit society, discipline, self-reporting and inspectability come once again to play an important part in the practice of government. To be auditable, then, is to be visible and governable at a distance, rather than to be efficiently pursuing the substantive goals of the organization. ‘Audit can provide assurance that the system works well even when substantive performance is poor’ (Power, 1999: 60).

Classical liberalism gave way to neo-liberalism as the dominant political rationality in the West during the last three decades of the 20th century. Unlike classical liberalism, neo-liberalism no longer seeks to maintain governmental functions within society; rather it governs without governing society. Like classical liberalism, neo-liberal political rationality relies not on the imposition of rule on objects of government, but on moulding networked subjectivities to be responsive to the implicit demands of government, and in this sense to govern themselves and others in their sphere of influence.

In particular, the expanded role of expertise in the neo-liberal practice of government has favoured those congregations of experts that publish standards. Standards are intellectual property which is designed for markets in expertise congealed into off-the-shelf commodified form. Hence the ‘market in rules’ noted above. Standards adapt well to the neo-liberal way of doing business and regulation.

The authority of international standards bodies in particular faces challenge because technocracy and counterproductive formalism are endemic to their operations, and because their new regulatory functions no longer partake of a state sovereignty underwritten in the last instance by popular sovereignty.

Small Businesses: The Solution For What and For Whom?

This paper is about the great importance and positive impact which is now ascribed to small and medium-sized businesses (SMBs) in every public arena.

Advantages of Small Businesses

Small businesses are said to be innovative and regenerative. It is within them new products and services are developed, tried out and tested relatively easily and quickly on the market, as SMBs are less bureaucratic than the big ones. Due to their small size, the key actors are close to the market and can react to the wishes of the customers and consumers. They are the lubricant of the economy means that small businesses provide a good environment for the employees. Despite the great changes brought about by new technology, globalization, new political regimes small businesses seems to endure and to be comparatively similar to that of 20 years ago.

Unsatisfactory state of affairs is avoided in small organizations where there is proximity between the leader and the led.

In addition, SMBs provide disadvantaged groups for the labour market, such as women and ethnic minorities, with the opportunity to make use of their skills.
Another current argument for new and small organizations stems from the problems facing the Swedish public health and care system. The question of financing is problematic and the difficulties of recruiting are widely reported. Many see that in several ways the solution is to have a number of small, alternative performers, competition for workers and in this way raise the salaries and people's willingness to look for work in the health and care sector. On the grounds of what has been said above, it can be claimed that the future belongs to small businesses and entrepreneurs.

Owners of Small Firms and Entrepreneurs
According to the Swedish National Encyclopaedia an entrepreneur is 'a person who by concrete action creates a new business activity'. However, not all small firm owners are entrepreneurs and not all entrepreneurs are small business owners. 'Solo entrepreneurs' or 'micro businesses' are often used when the growth aspect is considered to be the most prominent. Those with the best business prospects are naturally those who have a privileged position on the labour market and a strong desire to be their own boss. Individuals with weak position on the labour market and no strong desire to own their businesses have the worst position.

SWEDEN - THE HOMELAND OF SMALL BUSINESS
Sweden's economy is often described as being extremely dependent on a small number of big, dominant companies. From many perspectives, this is true. But Sweden can also be characterized as a real small business country. Researchers have tried to classify new firms according to that and to other dimensions. Herman Schmid (1999) has clearly observed the connection between the labour market and business enterprise in 3 groups:  - self-employment - that is employing yourself while waiting to be employed by somebody else. A second completely different category comprises professionals choosing to sell their competence on the market under their own management. In the last mentioned category there are both craftsmen like carpenters and professionals in the stricter sense of the word, such as lawyers. As a fourth group, he introduces the firm owner who is rather a leader than an entrepreneur.

Information technology makes distance less important. Orders can go straight from the purchaser's decision maker into the producers' machines.

The Building and Construction Sector - Employees and Self-Employed
The building and construction branch is dominated by small firms. The branch is extremely dependent on the economic situation on the national level and has sometimes been used as a regulator for the national economy.

Service Sectors With a Large Number of New Enterprises
Almost 40 per cent of the new businesses that were set up in the year 2001 were within the sector known as 'Finance and business services' comprising 10 per cent of all the businesses in the sector. From a new enterprise perspective this is therefore a very dynamic sector. Lively spirit of new enterprises can in part be assumed to be related to the slump in the IT-related sectors. What is very noticeable, I maintain, is the speed with which a number of big private players have established themselves on the new market: The privately owned joint-stock companies are growing most quickly.

My conclusion is that it is above all big firms which are able to take advantage of the new market for welfare services. This does not mean that there is no room for small firms though. There can be certain niches which, for different reasons, are left vacant by the big firms. There can be room for innovative thinking.

The Retail Trade - Our (Second Largest) Small Business sector
geographical spread of the retail business corresponds by and large with the population. Franchising is a dominating concept in various branches and sectors, but is especially common in the retail business. The relationship between the franchisor and the franchisee is governed by contract. Today, there is hardly one single grocery and provisions merchant who is wholly independent. The vast majority belong to one of the few blocs dominating the Swedish market. This oligopoly is considered to be one of the reasons for the high Swedish food prices when seen in an international context.

**Farming - Our Biggest Small Business Sector**
Agricultural business, found in current statistics as 'Agricultural business and services to agriculture are the biggest single group of businesses. No more interesting facts:D

**SMALL BUSINESSES: THE SOLUTION OF WHAT AND FOR WHOM?**
if we instead take our point of departure in the incentives, the motives and the situation of the big organizations; it is these big organizations that create the conditions for the small organizations. this is, 'because the increasing number of new businesses and the increasing proportion of small firms is in part a reflection of a fact that the bigger firms are choosing to outsource and buy instead of employing people. In education, health, nursing areas Very few individuals express a genuine desire to start a business just for the sake of being self-employed. Those who take this step have a great deal of professional expertise, but differing attitudes to enterprising.
If it is true that small firms established by entrepreneurs are prerequisite for a healthy economy, then what has been described is negative?? There seems to be little room for that type of business in an economy dominated by big organizations.
In research there still seems to be quite a clear line between the so-called labour market researchers and entrepreneurship researchers. It is important to bear in mind that many small businesses and a vital growth in the number of new enterprises is not in itself a sign of anything. Small organizations in themselves are not the solution to anything either. Everything depends on what the small businesses are, who starts them and who runs them as well as under what conditions they work.