



THE IMPORTANCE OF HUMAN RESOURCES IN PROJECT MANAGEMENT

Maria Mirabela DOCIU (ANCHIDIN)

University of Craiova, Doctoral School of Economic Sciences, Craiova, Romania

Abstract *This paper is about the Human Resource Management (HRM) impact on project management. This is of key and strategic importance to the project-oriented organization. When a new project or program is started, the human resource (HR) configuration of the organization changes. Within this dynamic environment, different and additional practices are required from the traditionally managed organization. Human Resources in Project Management focus on Project Team recruitment, organization and management until the end of a given project. Its role starts from defining core competencies which are going to be needed, to team building and motivation. The association between Human Resource Management and Project Management is strategic for every organisation. Both of them are useful for company competitiveness. In this paper, three main processes are taken into account: selecting, training and managing. They represent the layers of the Human Resources overall role in Project Management. They are described and analyzed while raising their key issues that have to be faced.*

Key words:

Human Resource Management (HRM), Project Management (PM), Project Team (PT)

JEL Codes:

M11

M12

O10

O15

INTRODUCTION

Human Resource Management (HRM) is about managing people and creating value for a company. The function has evolved since the 1980s: from the function of managing payroll administration to the one of developing skills and managing competencies. Nowadays, HRM makes part of a company strategy and considers people as resource rather than cost. The function regroups several concepts like recruiting, training, compensation and benefits attribution, career development and motivating staff. Currently, HRM tends to provide a strategic competitive advantage to an organization (Collins & Clark, 2003 cited in Berber & Lekovic, 2013).

It appears interesting to study a strategic impact on a given subject: the Project Management. By linking HRM with project management we are able to see that the function has an important strategic role. In this study, it appears that HRM focuses on people leading a specific project by managing and organizing them. The potential created value is linked to the project success and achievement.

That is why I am going to analyze how Human Resource Management impacts on Project Management. To do so, it is necessary to identify the key steps that allow the Human Resource function to fulfill its strategic role. After having identified those layers, it will be necessary to

analyze them in-depth. We are going to see why they are important, how they are implemented by HR managers and what kind of issue they are bringing. At the end of this analysis, we would be able to understand what the role of Human Resources is and what the key issues of HRM in Project Management are.

I. HUMAN RESOURCE MANAGEMENT AND PROJECT MANAGEMENT

Human resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. The term *human resources* was first coined in the 1960s when the value of labor relations began to garner attention and when notions such as motivation, organizational behavior, and selection assessments began to take shape. Around the 1980s, HRM was seen as a traditional managing function that dealt with personnel administration, recruitment, union relations and salaries establishment (Guest, 1987 cited in Bredin, K., 2006). Nowadays, Human resource management is a contemporary, umbrella term used to describe the management and development of employees in an organization. Also called personnel or talent management (although these terms are a bit antiquated), human resource management involves overseeing all things related to managing an organization's human capital.

Therefore, I am going to study the importance of human resource in project management. At first, I will make a definition of what

HRM represents and how it can be linked to project management. If I take into consideration Dinsmore, P. & Cabanis-Brew, J. (2011) book, human resources is the function that deals with people in charge of a project. In other words, HRM is about organizing and managing a project team. Project Management requires a group of people organized in team which aims to achieve specific goals according to a given project. Thus, I take into consideration that in this analysis HRM with Project Team Management (PTM) can be linked.

The Project Management Institute defines a project as a "temporary endeavour undertaken to create a unique product, service or result". So, any endeavour with a clear start and end can be described as a project. HRM is responsible for several such projects, some are recurring projects, while others are one-time endeavours only. Some of these projects are, for example:

- Implementing a new human resources information system (HRIS)
- Developing and enforcing a new workplace policy
- Creating a new training program for staff
- Managing the people side of mergers and acquisitions
- Launching an organizational change initiation

A project is evaluated by its success and people are making part of this success. Therefore, it appears that HRM in project management has a fundamental and strategic role for project success.

The purpose now is to define this role, to see how it can be fulfilled and what the key issues are. First, it appears that the HR role in Project

Management is composed by several 'layers'. According to studies this number of layers varies from three to six. For example, Dinsmore & Cabanis - Brew (2011) estimate four key assumptions of HR role in Project Management those are Human Resource Planning, Acquire Project Team, Develop Project Team and Manage Project Team. While Larose & Corriveau (2009) describe six key practices linked to HRM activities. They identified two more activities which are Mobilization and Culture Integration. For this paper, I will focus on three main processes within HR role in Project Management: Selecting, Training and Managing. Those three practices will enable the analysis of the main challenges HR managers face when they are involved in Project Management.

First, I will approach the **selecting** process. In other words, it is the process of choosing people that are going to be part of the Project Team (PT). Selection of the PT is the base of the project. Selecting people means constituting a PT according to skills needed. There are several tools dedicated to this process. The question of how selecting and which skills are required is the key issue of this

process. Then, it's necessary to take into account the way of **training** people in Project Team as another layer of HRM role. Training is the manner for HR manager to develop the required competencies of a team. It is a key process because it plays directly a role in the added value of a project. It is also the starting point of strategic competitiveness on a company.

Finally, the third concept that is going to be analyzed is **managing** team. This means how to organize the team and evaluate its performance. Managing a team is the way of motivating people to achieve their goal. It also includes the method used to succeed in the project. In this article, I will highlight that this process requires special abilities to a HR manager and can bring issues in Project Management.

In the project-oriented organization, several additional steps are required to deal with people's continued assignment and reassignment to new projects, dispersal at the end of the projects, and the fact that they may have a task(project) manager and line(functional) management.

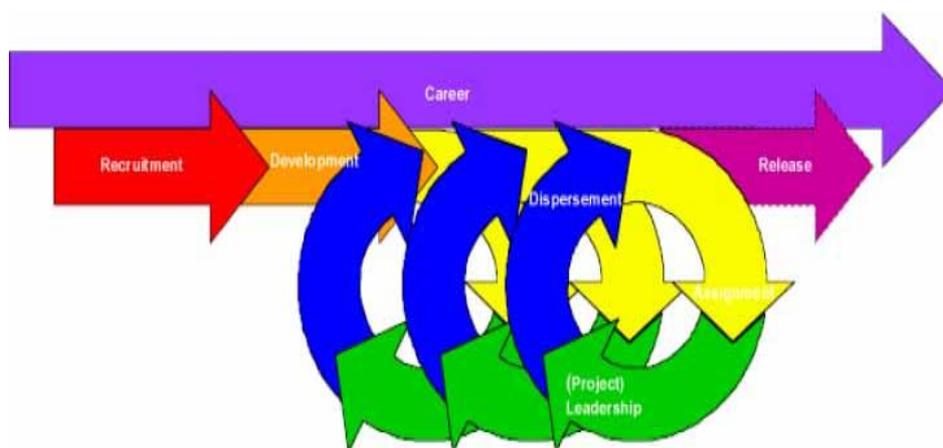


Exhibit 1: A simple model of HRM processes for the project-oriented organization

II. SELECTING PROCESS: HOW TO FIND A GOOD PROJECT MANAGER?

Project Management (PM) requires an anticipation of needs regarding the future Project Team. The first step in PM is to establish a multi-skills team according to the kind of project that has to be done. This means for HRM selecting good people to fit with project needs and requirements. More than selecting, the role of HR in this process is to choose a qualified person for specific role who can successfully deliver valuable contributions to the organization. The term *selection* can be applied to many aspects of the process, such as recruitment, hiring, and acculturation. However, it most commonly refers to the selection of workers. A selection system should depend on job analysis. This ensures that the selection criteria are job related and propose value additions for the organization.

To do so, HR manager has to clearly establish a list of competence needs. In order to make this list, project manager, team project members and HR manager have to work together. Thus, the first assignment of HR manager is to identify the right persons.

The main requirements for a Project Team are to be multidisciplinary, creative and interested in the project. According to Harold & Kerzner, (2013) a Project Manager has to be experienced so he would not do the same mistakes as before; he also has to be able to carry a lot of responsibilities such as time management, profit objectives or negotiation with functional disciplines. Main skills are leadership, management qualities,

interpersonal relations and conflict resolution abilities. Another really important criterion to select a good project manager is his/her maturity. It is a quite difficult task because Project Management maturity is not measured with the age of a candidate but with his/her capacity to lead a project and that is hard to measure. Although, experience is the general factor that is taken into consideration while recruiting a potential project manager. Thus, when talking about selecting process, the role of HR is to draw a detailed list of skills required for a given project, to hire team project members and to attribute responsibilities to each member according to their competencies. HR role is to attract the right skills for the right project.

Regarding key issues that can be encountered we can notice two main categories which are recruitment and staffing problems. Indeed, during this process HR manager has to decide where the company should hire PT members (Harold & Kerzner, 2013). The team can be constituted of internal employees if they have required competencies, but it can also be constituted by external people. In this situation, HRM can outsource the recruitment to external organizations (temporary work or hiring agencies). So HR faces a decisional issue as well as a cost issue. As Harold & Kerzner (2013) say in their book, there is another problem linked to selecting process which is the right balance in management. In other words, HRM has to deal with the fact that PT needs freedom for working. But this freedom has to be balanced with monitoring to be sure of good progression. It means that HR manager has to

recruit a really good manager to ensure the team progress and cohesion. Finally, the selecting process is about finding up-to-date people because from one project to another technical tool and acknowledgement is evolving.

III. TRAINING PROCESS: HOW TO DEVELOP A PROJECT TEAM?

Human resource development is the central framework for the way in which a company leverages an effective human resources department to empower employees with the skills for current and future success. The responsibility of the human resources department in regard to employee development primarily pertains to varying forms of training, educational initiatives, performance evaluation, and management development. Through employing these practices, human resource managers can significantly improve the potential of each employee, opening new career-path venues by expanding upon an employee's skill set. This is achieved through two specific human resource objectives: training and development and organizational development. Training and development, as stated above, is primarily individualistic in nature and focused on ensuring that employees develop throughout their careers to capture more opportunity.

Organizational development must be balanced during this process, ensuring that the company itself is leveraging these evolving human resources to maximum efficiency. Therefore, human resources departments are central to

empowering employees to take successful career paths while maintaining an organizational balance.

Develop project team, special skills and competences are like an up to-date of acknowledgement. The aim is to provide qualified workers to a company by assuring a regular and even continuous training. Indeed, motivation comes when the lack of knowledge is covered by team members. A team has also a creative potential which is a positive point in Project Management. Thus, HR role is to manage a team by defending its diversity, creating its cohesion and motivating its members.

As we saw previously, HR manager has to hire good project manager. After this step, HR's role is to develop competencies required in both short and long term perspectives. This skills development is called training as it is a regular process in a company. To do so, HRM has to define potential employee's free time to plan training programs and to select a list of people that need developed skills (Dinsmore & Cabanis-Brew, 2011). The aim of developing competencies is to assure company performance by succeeding in projects management. And, according to Garel, Giard, & Midler (2001), the HR department has to act as if Project Team members don't dispose of enough knowledge and competencies to succeed in their project before being trained. It appears then that training process is a capital step of project management success.

Training process leads to a main key issue which is time management. Indeed, a training program is designed for several months; it even can

take a year. So it is hard to find enough time to train people even if it is a necessary competitive process. Indeed, project manager that are eligible for training programs are usually those who worked on successful projects. But good project managers are demanded and they always go from one project to another. In other words, they are in a rush between two projects when they don't manage both at the same time. Another issue can be raised regarding project manager performance. Indeed, it is hard to evaluate performance: a project manager can be successful for a project and totally incompetent for another. The thing is, every project is different and unique and we cannot assure the performance of a project manager because of the project uniqueness and the necessity of being up-to-date for each new project. This also brings the problem of technical tools and skills. Project Management is by far a function in which people must be at ease with technology and information systems. It means that people have to be trained on technical aspects before beginning a project. We are going to see that after being trained, Project Team members need to be managed carefully.

IV. MANAGING PROCESS: THE WAY TO ORGANIZE A PROJECT TEAM IN ORDER TO ACHIEVE PERFORMANCE

The managing process ends the HR's role studied in this paper. By managing I consider animating, motivating and communicating with the team. The team animation begins with its adapted training. Then, it requires a specific organization so that every member has his/her attributed role and a kind of hierarchical organization can be designed

(Garel, Giard & Midler 2001). In other words, clear policies and guidance about the project have to be established to allow a general focus. Managing a team is also linked to motivation. HR manager has to be able to arouse people motivation and commitment around the project objectives. It can also be a question of corporate values that enable the project team to work with enthusiasm and envy. This is linked to teamwork management (Berber & Lekovic, 2013). Finally, communication is the third requirement of getting to manage a team with success. Communication is about saying each task that have to be done, giving feedbacks while project is advancing and resolving potential conflicts by monitoring tensions.

And because a manager does not only work with each employee individually, but with the entire team, as an integral body, his task is like the team which leads them to work synergistically, to help one another and to be able to yield by itself to the good of the team.

The process of managing a team is the most difficult: it has to be done carefully and in a responsible manner to allow project success. Monitoring performance is the aim of the process. To be more effective, a team project has to evolve in a trustful atmosphere (Bredin, 2006). Trust is a variable of efficiency and motivation. If people trust in what they are working for, they would be motivated by the idea of succeeding in. It leads us to talk about key issues encountered by managing Project Team: conflicts avoidance and team spirit and trust building. It is not easy to implement team spirit and shared vision especially within

multicultural teams. Conflicts avoidance is also difficult to evaluate since it has a direct effect on general motivation.

V. CONCLUSIONS

Projects have generally been managed as technical systems instead of behavioral systems. As a result, the rational /technical of management have been highly developed, while the equal or greater gains to be achieved from effective human resource management have not been realized.

Every project manager's basic goal is to complete the project on time, within scope and within budget. Yet, a huge part of any project manager's job is also acquiring, developing, managing and coordinating a project's human resources.

Anyone who thinks project management is all about tracking project deliverables using a spreadsheet or something like MS Project either doesn't fully understand project management or has had slightly less than optimal experiences

with project managers.

This paper allows us to define Human Resource's importance in project management. Indeed, HRM face two main challenges in Project Management which are the definition of core competencies and the development of those competencies (Bredin, K., 2006). We noticed another important challenge that HRM has to face in Project Management which is the process of managing, organizing and communicating with a Project Team. It appeared that HRM and Project

Management both imply several strategic challenges to a company.

Finally, I considered three main processes that constitute the Human Resources' role in Project Management which are selecting, training and managing. That is to say, HR' role in PM is linked to the Project Team recruitment, development and organization. Its aim is to manage the Project Team from its creation to its final success. But, we saw that HRM have to deal with current issues in each one of the processes. It means that management of people who managed projects is full of strategic concepts.

But Human Resources managers have to keep in mind that company strategy resides before anything in people. Thus, "Always recognize that human individuals are ends, and do not use them as means to your end" (Kant, 1724-1804).

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