The Role of Career Development in the Relationship between Project-based Organization and Human Resource Management: Evidence from Tunisia

Mohamed Ali Hedhili*, Sami Boudabbous

Faculty of Economics and Management, University of Sfax, Sfax, Tunisia. *Email: hammaali@hotmail.com

Received: 20 December 2020

Accepted: 23 April 2021

DOI: https://doi.org/10.32479/irmm.11416

ABSTRACT

The globalization of markets, the intensity of competition, and the evolution of technology have led to the appearance of new organizational forms based on projects. Faced with these changes, companies are forced to review and rethink their human resources management system to better adapt to the project environment. Career development is an essential factor in human resource management. This study aimed to understand the role of career development in the relationship between project-based organization (PBO) and human resources management (HRM). To this end, we conducted a qualitative study based on 31 interviews among Tunisian project managers. The results show that interviewees often lack such career development opportunities because of the temporary nature of their jobs. Project managers have to be responsible and proactive in developing their career path by maintaining and developing their skills.

Keywords: Career Development, Project-based Organization, Human Resource Management, Skills, Qualitative Research, Tunisia

JEL Classifications: J24, M12

1. INTRODUCTION

The globalization of markets, the intensity of competition, and the evolution of technology have led to the appearance of new organizational forms based on projects. However, the specific characteristics of projects (the temporary and unstable nature of operations and the dynamic nature of the work environment) have fundamental effects on human resources management (HRM) (Bredin and Söderlund, 2011a; Keegan et al., 2018; Loufrani-Fedida, 2019; Prouska and Kapsali, 2020; Samimi and Sydow, 2021). Thus, companies are forced to review and rethink their HRM system to adapt to the project environment (Huemann et al., 2007; Bredin, 2008; Turner et al., 2008; Keegan et al., 2018).

Career development is a central factor in HRM (Demiliere, 2014; Rui et al., 2015). Traditionally, careers have been conceptualized as linear and siloed career paths within the organization (Crawford et al., 2013). From this perspective, the organization plays a vital role in career development among its employees (Welch and Welch, 2015). It establishes support systems for career programs to enhance the individual’s skills (Hölzle, 2010). Indeed, employees improve their skills through the company’s promotional systems (Zika-Viktorsson and Ritzen, 2005) to advance to higher hierarchical levels (Bredin and Söderlund, 2011b). However, some authors argue that the traditional career logic is no longer sufficient to motivate the individual and support their professional development in the project environment (Whitley, 2006; Hölzle, 2010; McKevitt et al., 2017; Chen et al., 2019). Besides, several authors mention the need to rethink the career development structures in the project-based organization (PBO) (Larsen, 2002; El-Sabaa, 2001; Crawford et al., 2013; McKevitt et al., 2017; Loufrani-Fedida, 2019; Huemann et al., 2019; Lo Presti and Elia, 2020; Akkermans et al., 2020b). To this end, we aimed to answer the following question: How does career development affect the relationship between PBO and HRM?
The present work aimed to understand the role of career development in the relationship between PBO and HRM. To do this, we conducted a qualitative study based on 31 interviews among Tunisian project managers.

2. LITERATURE REVIEW

2.1. The Definition of PBO
Since the acknowledgment of the projects as the primary business activity for capturing new business opportunities in varying market environments, PBO has been a noteworthy organizational mode in knowledge-intensive industries (Söderlund and Tell, 2011). Numerous previous studies have been conducted to conceptualize PBO. This concept has been debated in previous works and has been labeled with different terms, namely the project-based organization (Hobday, 2000), project-oriented organization (Gareis and Huemann, 2000), project-based firm (Lindkvist, 2004; Whitley, 2006), project-based company (Koskinen, 2010), etc. In a previous work by Whitley (2006), we find a distinction between numerous forms of organizations based on projects regarding the uniqueness of objectives and productions and the isolation and steadiness of work roles. In the same vein, Arvidsson (2009) distinguishes between project-based and project-oriented organizations. In the former, returns are generated directly from projects, while the latter derives revenues from permanent structures and procedures.

PBO is defined as an organization where “the project is the primary business mechanism for coordinating and integrating all the main business functions of the firm (with) no formal functional coordination across project lines” (Hobday, 2000, p.874). According to this author, PBO can deal with characteristics evolving in the production and reply compliantly to clients’ varying needs. It can integrate diverse sorts of knowledge and skill effectively and handle doubts associated with projects. The project-oriented organization (POO) is defined in Gareis and Huemann (2000, p.709) as “an organization, which defines ‘Management by Projects’ as an organizational strategy, applies temporary organizations for the performance of complex processes, manages a project portfolio of different project types, has specific permanent organizations to provide integrative functions, applies a ‘New Management Paradigm’, has an explicit project management culture, and perceives itself as project-oriented.” POO is supposed to enhance organizational distinction and delegation of managers’ responsibilities, quality control by group work of the project, full project characterizations, goal orientation, and staff development, and learning from projects. POO is a common structure in various industries, including the public sector.

The project-based firm (PBF) operates in project mode by producing multi-faceted facilities and innovative assignments to satisfy its clients’ needs which may involve collaboration between firms and noticeably the support and coordination of the functional units (Lindkvist, 2004). PBF emerges as a specific legal and economic unit and frequently disintegrates when its objectives are success fully achieved (Whitley, 2006). Project-based companies (PBCs) are described by Koskinen (2010, p.260) as “organizations in which the majority of products are made against bespoke designs for customers.” PBCs may be self-contained, producing goods for external as well as internal customers, or affiliates of bigger companies.

Given this variety and to the ends of the present work, we accept a more comprehensive definition given by Lindkvist (2004). Thus, PBO is defined as one that organizes its work by projects.

2.2. Challenges of PBO from an HRM Point of View
In a turbulent and changing organizational environment, the project has become a preferred mode of operation for modern organizational structures (Gemünden et al., 2018). The project has particular characteristics: “the work is unique, the organization is new, and the change is punctual” (Zannad, 2009, p.50), which imply a strong and undeniable influence on the management modes adopted by modern organizations (Huemann et al., 2007; Gemünden et al., 2018). Therefore, these factors require specific needs that call for a new approach to HRM (Keegan et al., 2018). In this context, the traditional approach of HRM becomes inadequate. It must be revised as most of its procedures “have been designed for permanent organizations where each individual has a position, not for PBOs where positions are non-existing or are changed all the time” (Packendorff, 2002, p.46).

According to Turner et al. (2008), there are five specific features of PBOs that affect HRM. First, the orientations and objectives of the human resources function must be aligned with the needs of the project. Indeed, the project management continues to pursue the organizational differentiation and decentralization of decision-making, definition and control of project objectives, as well as skills development. Huemann (2010) argues that project management is considered as an organizational change as it affects the different dimensions of the organization’s identity, and consequently the management of human resources. Second, the PBO is temporary in nature. Each time a new project begins or ends, it causes a reorganization of the human resources configuration in the parent organization. This requires a new HRM approach that evolves within a limited time frame. Third, the context of the project is accomplished within a more dynamic environment. Indeed, the different sizes of projects can change continuously and generate great uncertainty. This makes forecasting human resource needs in the future difficult and uncertain. The fourth feature consists in the fact that PBO often manages a portfolio of different types of projects. Hence, the individual can have several responsibilities in different projects. However, failure to manage human resources can lead to conflicts and role ambiguities, as well as the loss of resources between different units (Prouska and Kapsali, 2020). Therefore, PBO requires specific human resources policies to allocate individuals to different projects and align needs and demands across projects (Loufrani-Fedida, 2019). Finally, each PBO has a specific management culture based on individual’s empowerment and autonomy, collaborative working, continuous organizational change, customer satisfaction, and networking with customers, suppliers, and other organizations.

Huemann (2007) proposes a new model of HRM in PBO based on three processes. First, assignment to project, which is a process
similar to the recruitment process in functional organizations that takes place not only at the beginning of the project but also during its life cycle. The assignment consists of planning and allocating human resources to different units. It allows the organization to determine the roles, responsibilities, and possible reporting relationships in the project. Also, the project manager must be carefully selected, as he/she has a full responsibility for the project success (Lo Presti and Elia, 2020). Second, employment on project, which ensures the development and improvement of skills of the project team through ongoing training and feedback. The project manager must also support his collaborators throughout the project life cycle: evaluating their performance, managing available skills, supporting their career development, resolving conflicts, providing feedback, and coordinating the change management. Third, dispersement from project, which allows the organization to decide on the status of the released individual. The main challenge for the project actor is to remain competitive in the job market. Therefore, he/she has to question his/her reassignment, employability, and uncertain future (Forrier et al., 2018).

In short, human resources policies, based on the principles of scientific management, seem unsuitable for the specific challenges of PBOs (Huemann et al., 2007; Bredin, 2008; Bredin and Söderlund, 2011a, 2013).

2.3. Career Development in PBOs

Career development is defined as “an ongoing process of planning and directed action toward personal work and life goals. Development means growth, continuous acquisition and application of one’s skills. Career development is the outcome of the individual’s career planning and the organization’s provision of support and opportunities, ideally a collaborative process” (Simonsen, 1997, p. 6-7). Career development is a strategic and planned approach that improves the employee’s performance in his/her (current or future) job and enhances the image of the company in the job market.

The new career models are particularly interesting and challenging in PBOs (Bredin and Söderlund, 2011b). They no longer consider careers in terms of gradual promotion (Bredin and Söderlund, 2011b) and simple or predictable paths (Hölzle, 2010), but they focus on acquiring new experiences (Keegan and Turner, 2003) and developing the skills of the project manager (Azmi, 2010).

PBOs must explicitly provide appropriate career opportunities (Huemann et al., 2007; Turner et al., 2008; Medina and Medina, 2014; Alaei and Shahezaei, 2015), such as recognition of acquired skills (Calamel et al., 2012), appropriate training courses (Palm and Lindahl, 2015), and job rotation (Alaei and Shahezaei, 2015), which help to meet the employee’s expectations (Turner et al., 2008; Alaei and Shahezaei, 2015).

For Larsen (2002), career success is not only set by the organization itself but also the project actors who are responsible for developing their work experiences throughout their career (El-Sabaa, 2001; Packendorff, 2002; Bredin and Söderlund, 2011a, 2011b; Crawford et al., 2013; Welch and Welch, 2015; Lloyd-Walker et al., 2016). This new form of career allows individuals to plan their future development by identifying the skills they need to consolidate their career path (Huzoor e and Ramdoo, 2015). In this context, El-Sabaa (2001) claims that project managers must master their career by becoming more active in determining their professional life, more adaptable in their skills, and more open to change.

3. RESEARCH METHODOLOGY

3.1. The Data Collection Method

As part of this research, we adopted a qualitative throughout a series of investigations with Tunisian project managers. We preferred the non-directive interview, as it allows the interviewees to express themselves spontaneously on a topic that is well defined by the researcher (Baumard et al., 2014). The non-directive interview allows for an in-depth analysis of the information collected. Interviewees are asked to freely answer these questions: What do you think of your career path as a project manager? What are the difficulties encountered?

3.2. Sample Description

All interviewed managers were selected from two Tunisian cities, namely Sfax and Tunis. We proceeded by contacting the interviewees via LinkedIn. Their number was not defined previously but based on the principle of semantic saturation (Glaser and Strauss, 2017). Thus, when further interviews do not generate new information any longer, we stopped data collection. Accordingly, a total of 31 Tunisian project managers from national and foreign companies were interviewed. The final sample consisted of 5 women (16.13%) and 26 men (83.87%) with an average age of 39 years, extending from 28 to 53 years, and an average experience as project managers of 7 years.

3.3. The Conduct of Interviews

A total of 31 face-to-face interviews were realized at the interviewees’ workplaces for privacy reasons. The interviews were carried out at the end of 2016 and lasted between 45 and 60 min according to the volume of information given by the interviewee and his/her convenience.

Before conducting the interview, we guaranteed the anonymity and discretion of the interview to comfort the interviewees. Then, we explained the background and objective of our research. Finally, we asked the necessary questions and convinced the managers to speak their minds. Only 23 out of 31 interviewees allowed us to use a Dictaphone to record their speeches, which helps preserve their perceptions and acknowledged opinions. Nevertheless, the other 8 interviewees objected; thus, their speeches were fully transcribed manually to guarantee exactness.

4. RESULTS AND DISCUSSION

The results reveal that working in a temporary organization poses multiple challenges to the project managers’ careers. Most interviewees claim that they are more likely to have a well-defined career path by remaining in functional organizations. These
results are in contrast to those of Dubreil (1993, p. 44), which reveals that “project structures have a future, but they present the risks of an uncertain tomorrow for their members, as opposed to the reassuring prospects of the business structures.” Several research studies state that PBOs with a lack of career development opportunities lead to increased job insecurity (El-Sabaa, 2001; Bredin and Söderlund, 2013; McKevitt et al., 2017; Lloyd-Walker et al., 2018). Our results also affirm that the project environment can lead to frustrations and anxieties related to career development, as shown by the following statements:

“Our project will be completed very soon. We are looking for another project in parallel” (Interviewee 4).

“I am not sure I will stay here because all the work is short term. I need more security” (Interviewee 9).

“I see the concern in the eyes of my collaborators, especially at the end of the project. Their motivation deteriorates and leaves room for tensions. Our company must do something to reassure them” Interviewee (12).

“I have proposed to my supervisors to build a good career planning management for my collaborators” (Interviewee 18).

“I have been in charge of this project for a year. My status allows me to have direct contact with the managers of the company. I will lose everything if I return to my old position in the parent organization” (Interviewee 21).

“One of my collaborators will be nominated and take over the full responsibility for the next project. I should maintain good relations with him” (Interviewee 26).

“I wonder if the next project will live up to my ambitions” (Interviewee 29).

Hölzle (2010), McKeivitt et al. (2017), and Chen et al. (2019) argue that traditional career systems are not very relevant in PBOs. These authors find that the career path of a project manager differs significantly from that of a functional manager (Palm and Lindahl, 2015). Therefore, traditional models of career management need to be revised to fit the demands of the project environment (El-Sabaa, 2001; Crawford et al., 2013; McKeivitt et al., 2017; Loufrani-Fedida, 2019; Huemann et al., 2019; Lo Presti and Elia, 2020; Akkermans et al., 2020b). There has been some recognition of the need to develop specific career paths for project managers (Hölzle, 2010; Bredin and Söderlund, 2013; Savelsbergh et al., 2016; Lloyd-Walker et al., 2018; Chen et al., 2019; Agyekum et al., 2020; Lo Presti and Elia, 2020; Akkermans et al., 2020a). Engwall et al. (2003, p.130) claim that “working life issues also include accounts of project work as a new career path and as ways of linking project organizations to individual goals.”

Some interviewees affirm that careers in PBOs are increasingly perceived as horizontal and plural paths. In this sense, Keegan and Turner (2003) present the idea of “the spiral career path.” It is built through a succession of projects that overlap and evolve through a series of varied assignments in the organizations that employ them. Project managers have transient career paths as they move continuously from one project to another as modern nomads. Each project can be an opportunity for continuous learning allowing the individuals to improve their skills.

The transient nature of projects requires project managers to be more active in developing their career paths rather than relying on their organizations (Bredin and Söderlund, 2013; Savelsbergh et al., 2016; Akkermans et al., 2020a). The project manager must plan for future development by identifying the skills he/ she needs to progress in his/ her career path (El-Sabaa, 2001; Crawford et al., 2013; Chen et al., 2019; Li et al., 2020). According to Larsen (2002, p. 37), it is “a matter of one’s ability to create one’s own career path [...] based on knowledge, initiative, and the capability to employ oneself.”

Interviewees believe that they need to keep developing their skills throughout their careers. This involves learning new knowledge and updating existing skills. El-Sabaa (2001) shows that project managers must maintain their interpersonal and technical skills to develop their careers fully. These skills are the ones that allow the project manager to distinguish himself/herself from other individuals and achieve more professional success. Thus, skills provide a useful basis to support the career development opportunities in PBOs. Indeed, career paths can act as an incentive for employees to develop their skills in the project environment. Marion et al. (2014) argue that there is a need to develop an evaluation system that can identify skill gaps to facilitate the career development of project managers.

Some interviewees claimed that organizations play a supportive role in their career development. This finding corroborates the results of Granrose and Portwood (1987), Turner et al. (2008), Huemann (2010), and Hölzle (2010). For Turner et al. (2008), career development is not significant for the project actor only but also for the entire organization. Hölzle (2010) states that organizations must continue to stimulate their staff and provide opportunities for career development. Indeed, career planning is developed to help employees clarify their career aspirations, identify skill gaps, and improve performance. Huemann (2010) finds that career development opportunities constitute a privileged management tool to attract and retain project managers in their positions. Furthermore, Granrose and Portwood (1987) argue that the organization’s involvement in career planning could reduce the uncertainty among its employees, which leads to satisfaction and organizational commitment.

5. CONCLUSION

This research aimed to understand the role of career development in the relationship between PBO and HRM. To this end, we conducted a qualitative study based on 31 interviews among Tunisian project managers. The results show that interviewees often lack such career development opportunities because of the temporary nature of their jobs. Thus, project managers are called upon to maintain and develop their skills throughout their career path.
The theoretical contribution of this work lies in the enrichment of the literature that deals with the relationship between career management and PBO. This research presents a managerial contribution as well as it allows project managers to have a better understanding of career management in PBO. They have to be responsible and proactive in developing their career path.

The present work has some limitations: First, the sample size is limited as only 31 Tunisian project managers were interviewed, which hinders the external validity of the study. Second, we investigated only project managers; it seems necessary to continue the investigations among other populations, such as line managers and project team members. The third limitation lies in the static approach adopted for this research. Indeed, the interviews were carried out at moment “t.” It could be interesting through a qualitative longitudinal study to observe and compare the evolution of the perceptions of interviewees over time. Finally, this research was conducted in a single country (Tunisia).

Our results open perspectives for new avenues of research. It would be interesting to carry out a comparative study between Tunisian and foreign project managers to understand the cultural similarities and differences regarding career development in PBOs. Also, it would be possible to extend the sample by including project managers working in other countries. Finally, it would be appropriate to carry out this research through a quantitative study on a larger sample.

REFERENCES


Forrier, A., De Cuypier, N., Akkermans, J. (2018), The winner takes it all, the loser has to fall: Provoking the agency perspective in employability research. Human Resource Management Journal, 28(4), 511-523.


Keegan, A., Ringhofer, C., Huemann, M. (2018), Human resource management and project based organizing: Fertile ground, missed


