

## EXTENDED ABSTRACT

# HUMAN RESOURCE MANAGEMENT PRACTICES IN PROJECT-BASED ORGANIZATIONS

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### Abstract

Projects have become vital in the making of new products, processes, services and results in the present world of business surrounded by the turbulent environment and the expectations on the Project Managers increased in bringing the projects effective amid the priorities, constraints and challenges from various directions. Competent and motivated human resources are a key for the success of projects of any organization including Nongovernmental organizations in the humanitarian sector, being as project-based organizations managed by projects. Project managers should ensure availability of right members in project teams to successfully complete projects. The temporary nature of projects makes managing human resources complicated since retention of people is challenging. Therefore, the study assesses the human resource management practices in NGOs as project-based organizations to identify their people management practices and their contribution to the project performance and challenges in managing staff. Adopting a qualitative approach, the study selected six organizations and collected primary data through focus group discussions and interviews.

The findings confirm all participant humanitarian organizations have human resource management practices and the need of them depends on the size of organizations and number of activities, Human resource plans are partly included in project management plans. The agencies adopted at least some tools and techniques of the people management practices that contribute to the performance of projects. Limited budget, lack of communication, lack of technology, organizational culture and policies are part of the challenges for the effective practices of the HRM.

**Keywords:** Project success, human resources management, HRM practices, project-based organizations, critical success factors

## 1. Introduction

Human resources (HRs) are vital resources for any organization for performing all its tasks to attain its purposes and they get other resources utilized for the planned goals. The HRs in a project setting in terms of project manager, project team and other support staff make a project be completed within the schedule, budget, scope, risk, resources and performance level (PMI, 2013 & 2017). Nongovernmental organizations (NGOs) are private, independent, not-for-profit and humanitarian organizations that work with different programmes and projects. They form part of the project-based organizations (PBOs) that are managed by programmes and projects (Huemann, 2011). These NGOs

have many projects for vulnerable communities, particularly affected by three decades of ethnic and armed conflict (Thirugnanasampanthar, 2017). HRM practices, through managing superior performance of HRs, cause organizations to fulfill their long-term and short-term goals and NGOs, whether they are provincial, national or regional or international, adopt standard HRM practices to ensure the right number and quality of programme/ project and administration staff to run their activities both effectively and efficiently. HRM practices in PBOs differ based on the organizational structure and policies (PMI, 2013). As this encouraged the researchers to study the HRM practices and their effect on projects in NGOs that have been serving vulnerable communities through projects in the Eastern province of Sri Lanka, the study strives to explore how HRM is practiced and how it contributes to the project performance.

### *1.1 Statement of the problem, research questions, objectives, significance and scope of the study*

Lack of proper HRM practices lead to project failure, project delay, reduce the employee performance, and diminish the ability of employees (Huemann and Keegan, 2007). HRs are most important to efficiently and effectively organize the project functions (Bredin & Soderlund, 2006). Without HRs' support, the project has difficulty to achieve its objective and goal (Huemann, 2006). In PBOs such as NGOs, employees generally work on contracts that do not provide any job security, therefore, they have higher level of employee turnover. Project staff leave for other better opportunities and this kind of pattern affects the project activities to different degrees. When an activity or task gets delayed or fail in a project, that will affect the entire project. Therefore, the function of the HRM becomes critical in organizations with short-term contracts. If PBOs do not follow good practices of HRM, that will affect the entire project and organization. Consequently, this research expected to answer the following research questions: What type of HRM practices are adopted by the NGOs - PBOs; What are the HRM tools and techniques used to improve the organizational performance; How do their HRM practices contribute to PBOs' performance; and What are the challenges facing the PBOs in project HRM practices and how to overcome them? Therefore, this research aims at studying the HRM practices in selected PBOs, their contribution on their project performance and HRM challenges by finding answers for the research questions.

As this study explores HRM practices and challenges of the PBOs and owing to the lack of similar studies in Sri Lanka, it will be helpful to the NGOs operating as PBOs optimize their performance, adopt new methods and technologies, and to complete their projects successfully within budget, time, and quality/ performance level.

### *1.2 Literature review*

Project Management Institute (PMI, 2017) defines "a project is a temporary endeavor undertaken to create a unique product, service or result" and project management as "is the application of knowledge, skills, tools and techniques to project activities to meet the project requirements". Meaningfully, Turner and Keegan (2001) define a project-based company as one "in which the majority of products made or service delivered are against bespoke designs for customers". A PBO is a choice and it is one in which the people of the organization: define "management by projects" as their organizational strategy (Gareis, 2005; Keegan, Ringhofer and Huemann, 2018).

Hence, Project Managers (PMs) are ultimately responsible for delivering successful projects. Pinto (2013) concludes that any definition of project success must take into consideration the elements defining the very nature of a project indicated by time (schedule adherence), budget or cost, functionality/ quality, and customer satisfaction. The term project success has been explained by many authors and researchers, such as Morris & Hough; Wateridge; Turner, as cited in Muller and Jugdev (2012) through the two components – Project success criteria and Project success factors. David Baccarini (1999) distinguished the "project success criteria" (PSCs) from the "project success factors" (PSFs) based on the importance of making the differentiation. He noted that PSCs are used

to measure PS, meanwhile, PSFs facilitate the achievement of PS. Consequently, it is remarkable to understand the PS is the end and PSFs are the means and ways for the PS.

HRM involves with the management of employment relations and human talents necessary for achieving the organizational goals effectively through developing and maintaining the competitive and strategic capabilities of human resources leading to the competitive advantages for the organization (Snell & Bohlander, 2010). PMI (2013 & 2017) grouped all HRM activities under four processes such as plan HRM, acquire, develop and manage project team. HRM practices have positive impact on the performance of both employees and organization (Armstrong, 2012). Importantly, in 2018, Keegan, Ringhofer and Huemann concluded the promising connection between HRM practices and PBOs. The study strives to fulfil the gap in the PBOs to study the HRM practices based on the PMI processes for project HRM as a critical success factor for project success.

## 2. Methodology

The study adopted qualitative approach with interviews and focus group discussions (FGD) to collect primary data from the participants conveniently selected from six NGOs involved in similar project activities in Sammanthurai Divisional Secretariat Division of the Eastern Province of Sri Lanka. Six participants from the project team and administration from each NGO were selected to collect the primary data through semi-structured questionnaires on HRM and project management. Data was analyzed using thematic analysis to organize findings.

## 3. Results and Discussion

The research identified that the selected PBOs meet their HR needs in different quantity and quality and they consider the HR as key organizational assets. Therefore, the organization is always giving the priority to manage the organizational Hrs. The research summarizes the identified HRM practices of the PBOs as follows:

### 3.1 *What type of HRM practices are adopted by the NGOs - PBOs?*

One participant described "HR skills and experience are priceless, other any non-human resources are not equal to HR power", meanwhile another added "Human resources are one of the important assets to the organization" and the participant's organization identifies the HR needs of the project then the organization is informing their national office. All organizations are giving 1st priority to their internal staff and working experience. After that, the organization is giving opportunity to external people. Generally, all participant PBOs have HRM processes as categorized by the PMI by planning, acquiring, developing and managing their human resources such as project, programme and supportive/ functional staff. International and national NGOs have their own HR departments at their head offices, at the same time, the local and regional NGOs manage their HRs through administrators. Participants informed the level of HR activities such as training, performance management, retention take place based on the funding availability and future projects. They added employment cycle is determined by the project period, mostly. "All PBOs consider the HRM practices as tools for develop and manage the human resources of the PBOs", one participant described. All organizations use HRM practices to their performance improvements and smooth functioning of the NGOs by meeting the national requirements. It was noted by the participants there were significant improvement in performances of individuals and projects after the adoption of proper HRM practices. It also helped reduce risk level of projects since rightly selected and trained staff members worked for them. It was identified all PBOs do not allocate significant amount in their budgets to adopt complete HRM practices.

### *3.2 What are the HRM tools and techniques used to improve the organizational performance?*

The results revealed PBOs use the tools and techniques in Project HRM. It refers how the project HRs are managed, staffed and eventually released. The PBOs' HRM tools and techniques can be grouped based on the HRM processes such as Planning HRM, Acquire Project Team, Develop Project Team and Manage Project Team (PMI, 2013). The tools and techniques within the four groups are: Plan HRM included organizational chart position description, networking, expert judgment and meeting; Acquire Project Team included Virtual team, actuation and pre-assignment; Develop Project Team comprised training, reorganization and reward, interpersonal skills personal assessment tool; and Manage Project Team covered project performance appraisal, observation conversation interpersonal skills.

### *3.3 How do the HRM practices influence the PBOs' performance?*

The results also show PBOs consider the Project HRM Plan was the part of the project management plan. The PBOs develop Project HRM Plan because the HR is one of the valuable resources to the PBOs to implement their projects. The planning of HRs helps the participant PBOs' projects to be completed as planned, within the time, budget and performance. Participants from the PBOs confirmed the adoption and implementation of HRM practices influenced on their project success. The finding confirmed the theoretical link between the HRM, and performance of individuals and organizations (Armstrong, 2012).

### *3.4 What are the challenges facing the PBOs in project HRM practices and how to overcome them?*

Challenges is inevitable in every project. The study encompassed project budget is the main challenge to the PBOs to adopt and implement the HRM practices effectively, that is, to adopt job analysis and design, reward and compensation process and other HRM practices. The communication barrier is another challenge to few staff members in PBOs, because, the training programmes and workshops were conducted in English, particularly, because of online trainings conducted by foreigners. Another reported barrier was higher turnover of staff members since there moved between NGOs or left for government employment opportunities. This caused sudden gap to immediately find suitable alternatives to continue planned activities, however, PBOs reported higher expenses and loss of experience and organizational knowledge. Cultural barriers were informed by few participants when people from different culture worked together.

“When adoption and implementation of the HRM practices, the PBOs have some techniques to overcome those challenges” (interviewer-3). The PBOs can conduct trainings and meetings in the native language of the HR, it would increase the understanding level of HRs. The PBOs can move to automated form from manual form, then, it will facilitate implementation of the HRM practices successfully. The PBOs can allocate substantial budget to HRM development. The PBOs can be adopting the HRM practices which relate with organizational policy and culture.

## **4. Conclusion**

The main aim of the present research was to examine the HRM activities of the NGOs as PBOs and their contribution to the projects' performance with three subobjectives to explore the HRM tools and techniques, challenges for HRM activities.

Participants to the research agreed the PBOs give priority to their HRs through the HRM practices and it has a positive contribution to the performance of both project teams and organizations. They also helped reduce the risk level of the projects to be delayed or underperform. In addition, the PBOs consider the HRM practices as a set of processes for managing, coordinating, controlling and monitoring and releasing or retaining the project's staff in order to achieve the project objectives. Participants informed positive connection of the PBOs' HRM practices on project success, in terms of effectiveness and efficiency. The study concludes HRM tools and techniques are considered

important to build strong HRM for the organization, through the tools and techniques the PBOs by overcoming the internal and external challenges and manage the competitive advantages. The PBOs practice mostly same types of tools and techniques in planning HRM, acquire the project team, develop project team and manage project team processes, thereby, the HRs' performance influences the project efficiency and effectiveness. However, the PBOs faced challenges in adopting and implementing HRM practices in terms of lack of budget allocation, communication barrier, lack of technology, change management plan and organizational culture and policy. The project budget is the main challenge to the PBOs to adopt and implement the HRM practices effectively as all the PBOs mainly included challenges due to budgets, particularly as they expect to minimize the expenses for the supportive/ administrative activities.

The research recommends that HR development will be improved by the HRM practices, therefore, the PBOs can specially allocate considerable allocations for HR development from the budget and should incorporate proper HRM practices in terms of planning HRM, acquiring project team, developing project team and managing project team. Finally, the study believes there are NGOs all over the country, hence, the results of the study is applicable and it recommends future researchers to conduct similar researches in different regions to identify HRM best practices of the PBOs to make community projects successful.

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