

HR Challenges of Project Managers

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Abstract: Project-based works, cause of their temporary nature involve some particular problems and challenges that are not normally experienced by operational and functional activities. Project manager, as the highest authority of a project, is exposed to these challenges more than anyone else. This study takes into consideration “authority”, “cross-functional team”, and “workforce motivation challenge” as the three main challenges that are faced by a project manager in interaction with project human resources. Also some solutions are recommended to avoid undesirable effects of mentioned challenges.

Keywords - project, project manager, authority, cross-functional, workforce motivation

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I. INTRODUCTION

The contemporary era is known as “the age of speed”; people of the current century, concern for time much more than their ancestors. In project work, as a time-limited activity, more than any other type of business the importance of time is obvious. Project Management Institute defines a project as “a temporary endeavor undertaken to create a unique product or service” [1]. According to the definition, “temporary means that every project has a definite beginning and a definite end” [1]. This temporary nature, distinguishes a project from all operational activities (in which the operation is assumed as a continuous and endless activity). Organizations normally can act in two different modes: operational mode and project mode. The first one generates money whereas the second one consumes it [2]. This argument reveals the second important characteristic of project work: constraint in budget and resources. Actually resources of a project are provided relying on a limited budget, for a limited time. These resources in general, consist of both human and non-human resources. A project is “a combination of human and non-human resources pulled together into a temporary organization” [3]. Temporary employment of human resources besides above-mentioned limitations underlies the particular difficulties of workforce management in a project environment. From this argument it could be easily concluded that project managers in comparison with other managers experience different challenges in interaction with individuals.

II. PROJECT MANAGERS VS FUNCTIONAL MANAGERS

Before discussing about the special challenges of project managers, a basic question should be answered: why we have focused on project managers and what features distinguish them from other managers? The phrase *project manager* is normally contrasted by *functional manager*. These two categories of managers cover almost all middle managers in any organization. Unlike project managers who deal with a “project” as a temporary activity with a unique output, functional managers are involved in “day to day operation of functional departments”, as a permanent activity with repetitive outputs. In other words, project managers take responsibility for completing a set of activities within a specific time and budget, to achieve a specific goal whereas functional managers have ongoing responsibility for managing resources and people within a department to meet the corporate objectives [4]. This is the main difference between these two groups of managers. The second important difference between them is related to the range of activities that they cover.

Functional managers, as understood from their name, are often involved in a specific function within a department. They manage people with specific expertise, such as marketing, engineering, accountancy or administration, to achieve their departmental objectives [4]. For instance, financial manager is a functional manager who deals with functions related to finance; also production manager is another example of a functional manager who is involved only in production-related functions. Marketing manager, Human Resource manager, R&D manager and Technical manager are some other types of functional managers. On the other hand, a project manager’s job in most cases has a cross-functional nature which brings together experts from various functional groups into a team of diverse personalities and backgrounds [5]. Besides the mentioned differences, project managers are different from other managers in style of leadership and required competencies [6] [7] [8].

It should be noted that the above classification is valid only for middle managers (and sometimes low-level managers); but never apply this classification for top management. Actually top management positions

have some similarities to both mentioned classes of managers. For example, a CEO’s job may be compared with a functional manager’s job regarding its permanent nature; but unlike functional managers, a CEO does not involve only in one function and has to cover all functions inside an organization. From this viewpoint, the job of a CEO could be compared with a project manager who has to cover all functions and specialties inside the project (this will be discussed in detail later). Anyway, top managers are normally considered outside the mentioned classification. Their job includes supervising and managing both the above-mentioned groups of managers and establishing a good coordination between them in order to achieve the overall objectives of the organization.

III. PROBLEM STATEMENT

Regarding the above-mentioned differences between project and operation, the tasks and responsibilities of project managers are different from functional managers, and consequently their challenges and particular problems are different. Despite the common challenges, there are some particular challenges that normally engage project managers, and functional managers in most cases are not dealing with them. These challenges that make a project manager’s job very stressful and grueling, are distributed in several areas of project management activities. But in this paper, human resource and interpersonal challenges are taken into consideration. The major challenges which project managers normally experience in this area could be discussed in following categories:

- 1- Authority challenges
- 2- Cross-functional challenges
- 3- Workforce motivation challenges

All the above-mentioned challenges will be discussed in detail within following parts.

IV. AUTHORITY CHALLENGES

As described earlier, the most important aspect of a project (which was reflected in the given definition) is the limitation of time and resources. Due to this fact, normally companies prefer to use the existing capabilities to organize their new projects. In other words, company owners and top managers prefer to arrange their project teams as much as possible from their existing staff instead of employing new employees or outsourcing to other companies. As such, the organization of the project is not separate or independent from the parent company. This type of organizational structure is known as ‘matrix structure’. Efficient use of all resources besides rapid and flexible answer to clients’ needs are some advantages of this structure [9]. In spite of its advantages, matrix structure has some disadvantages which make project managers engaged in serious human resource challenges.

To clarify this issue, suppose that a manufacturing company plans to expand its business by adding a new production line. After hiring a project manager, a project team should be arranged; in order to implement the mentioned project, the project manager needs a team including a design engineer to design the technical drawings and supervise their implementation, an accountant to record and report the financial statements of the project, a procurement officer to procure the required materials and component from the market, a human resource officer to organize the HR affairs of the project, and some technical and ordinary workers. The company’s top management decides to arrange the core team from the existing personnel of the company. Therefore, a design engineer is selected from the technical department, a procurement officer from the procurement department, an accountant from the finance department, and an HR expert from the human resource department. In some cases, any employee is not directly assigned to the project and the project manager is advised to handle the affairs of the project with related functional managers. But in the majority of cases, in order to accelerate the work, it is preferred to arrange the team as described. After selecting the members of the core team, they are gathered together, and the project manager is introduced to them as their new manager. But actually the team members are still employees of their own departments and the new position makes a dual role for them in the company.

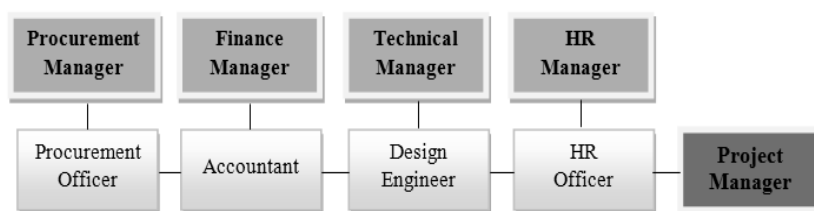


Figure 1 Matrix structure in a production-line expansion project

The situation reflected in Fig. 1, presents a challenge to the project manager. The dual role of the selected staff makes a hierarchical problem inside the company. Actually the problem begins when the selected employees see themselves subordinates of two managers at the same time; but normally these two managers are not regarded equal by the employees. One of them is regarded as a permanent manager and the other is assumed a temporary one. The result of this judgment is clear; in equal conditions, they prefer to follow their permanent boss and ignore the temporary one. Project managers in such a situation may find it very difficult to exert influence over the team members [7].

Confusion and conflict over roles and responsibilities between functional managers and project managers are the most important challenges of matrix-structure organizations [10]. Actually in such a system, subordinates experience confusion because they have to report to two managers at the same time (Fig. 1), and the two managers after a while find themselves in the middle of a conflict over responsibilities and authorities. In a matrix structure, authorities and responsibilities are distributed between functional and project managers without a clear border. This issue causes ambiguity and conflict over areas such as resource allocation [11], and employees' assignments [12]. This ambiguity results in power struggles and each side tries to clarify its responsibility and accountability [13].

These conditions are normally inevitable because of the limited resources of a project, and the project manager has to buckle down with this challenge.

V. CROSS-FUNCTIONAL CHALLENGES

As explained earlier, arrangement of a project team includes selecting some people with different specialties and backgrounds, and gathering them together under the leadership of a project manager. The simple example described in the previous section, introduced four different disciplines as the minimum number of specialties required for implementation of such a small project. Now, assume that we want to arrange a team for a larger scale project, such as the construction project of an industrial plant (e.g. a power plant, or a petrochemical complex). The implementation of such a project consists of several steps including design and engineering, procurement, civil work, installation of equipments, and finally, commissioning of the plant. As illustrated in the following figure, fulfillment of all these steps, requires a project team with a wide range of specialties.

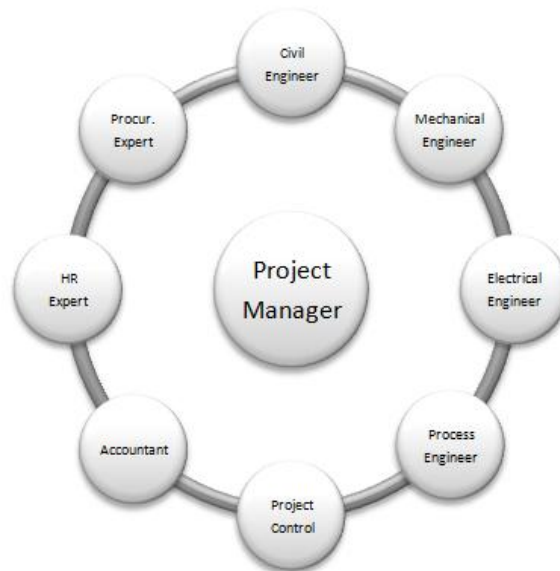


Fig. 2 Diversity of expertise in the core team of an industrial plant construction project

The second challenge of a project manager starts here. To understand how this issue engages project managers in a new challenge, a comparison with functional managers could be helpful. Functional managers, because of the divisional nature of their work normally manage a group of people with a specific specialty [4] and the manager is often from the same specialty. For example, financial managers normally work with subordinates from finance and accounting backgrounds, and also themselves are from the same background. But the case of a project manager is completely different. A project manager has to manage a group of individuals from diverse backgrounds and disciplines [4][7]. The number of specialties which should be managed by a project manager varies depending on the industry and the project size. Managing such a professional team with

so many different specialties is a really difficult job. The project manager needs to obtain a minimum level of knowledge in all those specialties to achieve the ability to communicate with the team members and manage them. Otherwise, subordinates may underestimate the manager, ignore him in some decision making situations, or even cheat him. In addition, the project manager needs a high degree of self esteem to deal with such a professional team with diverse backgrounds and expertise. Low levels of self esteem make the above-mentioned situation more critical.

Another challenge faced by project managers in managing cross-functional teams, returns to the negative impact of functional diversity, on team processes. The success of a cross-functional team highly depends on effective team processes such as communication, cooperation and coordination [14]. As a result of the functional diversity, cross-functional teams gather individuals with different goals and values to work together [15]. These differences create barriers to effective team processes and makes problems in the development of cooperative relationships among team members [16]. Also, the greater diversity results in lower team cohesiveness [14]. It is a big job to make cohesiveness and cooperation climate in a functionally-diverse team. This is an important challenge which is assumed to be overcome by the project manager.

VI. WORKFORCE MOTIVATION CHALLENGES

Keeping the workforce motivated is another important challenge of project managers. The temporary nature of project work highly affects the attitude and performance of the workforce. Some of the most important workforce motivation challenges in a project environment are discussed within following paragraphs.

The first challenge in this area is that project workforce is less committed to the company compared to the operational workforce [17]. The reason is clear; because the company has also less commitment to them. Because of the temporary nature of projects, their workforces are normally employed with short term contracts. So, it is evident that if a temporary employee finds a better job with a higher stability, will leave the project rapidly. This situation usually confronts the project manager with major problems, particularly when the project is at the pick of activities.

Another challenge is that the level of obedience among the workforces of a project is so much lower in comparison with the workforces of operational careers [18]. This challenge returns to the temporary nature of project work too. The employees of permanent organizations perceive their jobs as steady careers that can support their lives for a long time, even till retirement. Hence, in order to retain their jobs, they prefer to tolerate unpleasant conditions and avoid any kind of disobedience as much as possible. But the project employees do not have such an attitude about their jobs. They know that after a while, when the project is completed they will lose their jobs automatically. Consequently, their reason to tolerate unpleasant conditions is not as strong as permanent employees. So, they easily protest and sometimes disobey their superiors.

The other workforce challenge of a project returns to financial limitations. In comparison with the financial situation of an operational environment, two aspects appear as the financial challenges of a project: higher demand, and lower resources. Normally project staff demand higher salaries; this is mostly because of their short term contracts [19]. On the other hand, financial resources of a project are more limited compared to an operating factory for example. As a result, payments are sometimes deferred. In such situations, going on strike and leaving the project are some possible reaction which may get the project manager into a serious trouble.

The last important challenge that project managers encounter in terms of workforce motivation is the mental and psychological problems experienced by the project staff. Uncertainty about the future is a common concern among project staff. In addition, in some projects, workforces are organized to work in remote sites. In such situations, they have to work for a long time far apart from their families, usually in tough conditions.

These individuals normally after a while engage in some psychological problems such as depression, distress, and emotional exhaustion [20]. It is clear that these conditions highly affect the workforce performance and decrease the overall efficiency of the project.

VII. DISCUSSION AND RECOMMENDATION

In the previous sections, three main challenges of project managers were discussed in detail. The differences between competencies and management styles of project managers and functional managers are mostly originated from these challenges. In other words, different challenges that a project manager experiences (in comparison with functional managers) underlies the need for different abilities and competencies in this group of managers.

The first issue that was assessed in previous sections, returns to the authority challenges faced by project managers. As described earlier, this problem mostly arises in matrix-structure organizations where project managers borrow their team members from functional departments and so, do not have complete authority over them. Team members in such structures have a dual role and are requested to report to two managers. As such, after a while project managers find themselves at the threshold of role conflict with

functional managers. Overcoming this challenge requires extraordinary interpersonal skills and a high degree of relationship orientation. Some previous studies which have focused on role of EQ and interpersonal skills in the overall success of a project manager supports this claim [21].

Another challenge of project managers relates to the cross-functional nature of a project team and the project managers' need for acquiring a minimum level of knowledge in all related functions and disciplines. As described before, a typical project team consists of members who are from various disciplines and specialties, and the project manager has to deal with all of them. It is evident that for an individual it is almost impossible to study or experience all those specialties. In such conditions, in order to manage people from these different backgrounds and specialties, likewise the first challenge, the best way for a project manager is to apply interpersonal skills [7] to build trust among team members and make a friendly relationship with them. This strategy encourages team members to participate proactively in project activities and voluntarily put their knowledge and expertise at the project manager's disposal.

Finally, the last challenge is about workforce motivation in a project environment. Overcoming this challenge is also strongly affected by the project manager's ability to build relationship with others. As described in the related section, because of the temporary nature of projects, employees are less committed to their job and have the least degree of obedience in comparison with employees of permanent organizations. This situation normally gets worse under time pressure that makes project employees stressful and impatient [22].

Applying emotional leadership could help the project manager to make the employees more committed to their job and less vulnerable against the pressures [23]. Transactional team leaders in such situations try to motivate their followers and enhance their commitment by incentives such as financial rewards [24]; but it cannot be a long term and reliable solution, and making proper relationship is highly recommended.

VIII. CONCLUSION

Project management is a challenging job with difficulties and responsibilities different from other areas of managements. As a result of these differences, project managers have to encounter and overcome some special challenges that are not normally experienced by other managers. The current study focused on the challenge of authority (caused by the matrix structure), besides cross-functional and workforce motivation challenges as the three main human resource challenges faced by project managers.

Due to the mentioned differences, project managers need different characteristics and competencies. Some researches suggest that in comparison with functional managers, project managers are assumed to have higher abilities in some areas such as crisis management and risk taking [6][8]. They also argue that project managers are assumed to have a high degree of self esteem, EQ, and IQ to overcome above mentioned challenges. Some competencies such as EQ, or interpersonal communication skills, are considered as advantages and strengths that can help a project manager to handle the challenges without any interruption or slowdown of the project.

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