HRM in project groups: The effect of project duration on team development effectiveness

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Abstract

The literature has found contradictory results regarding the impact of human resource management on project success. This paper focuses on one important human resource management process – team development – to investigate its importance in the project environment. Results show that most team development practices that work well in the operational business environment do not have a significant influence on project success. However, project duration was found to moderate the relationship between team development and project success: the effectiveness of team development increases in longer projects. The paper identifies and analyzes team development practices that have a positive impact on project success exclusively in long projects.
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1. Introduction

Human resource management (HRM) practices are critical for organizational success (Banker et al., 1996; Dulebohn and Martocchio, 1998; Newell et al., 2004). However, their importance in the unique project environment is still unclear. On the one hand, the literature has identified HRM as an important factor towards project success (e.g. Tampoe and Thurloway, 1993; Barczak and Wilemon, 1992; Thamhain, 2004a) and a core element of project management bodies of knowledge (e.g. Kerzner, 2009; Meredith and Mantel, 2009; PMI, 2008). On the other hand, several recent empirical studies found HRM to have a limited effect on project success (e.g. Pinto and Prescott, 1988; Belout and Gauvreau, 2004; Ebtehaj and Afshari, 2006). In order to explain these contradictory results, the purpose of this study was to further investigate the effectiveness of HRM in the project environment in general, with particular reference to exclusive project scenarios (Zwikael, 2008). In other words, this paper aims to explore the circumstances under which HRM practices are more effective towards improving project success.

Because HRM is a vast area, which has both a management support role and an employee support role (Turner et al., 2008) this paper does not intend to cover all its related processes. For example, the PMBOK (PMI, 2008) identifies four project HRM processes: develop human resource plan, acquire project team, develop project team, and manage project team. This paper focuses on team development, as the existing literature recognizes it as critical for organizational and project success (Kerzner, 2009; Weinkauf and Hoegl, 2002). Team development is under the direct responsibility of the project manager, who is expected to engage in activities such as training, and rewarding.

In order to better understand the role of team development in various type of projects, the objectives of this paper are to: (1) explore the contribution of different team

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development practices to project success; (2) identify those team development practices that have the greatest influence on project success; and (3) investigate potential moderating variables that may influence the relationship between team development and project success. As a result, this paper aims at improving the knowledge on team development effectiveness in general and across different project scenarios in particular. The following sections review the relevant literature and present the research model, hypotheses, results, implications, and contribution of this study to theory.

2. Literature review

This section reviews the relevant literature in the areas of teams, project teams, and project team development.

2.1. Teams

With the growing complexity of the work environment, many organizations have reconstructed individual work procedures into team processes to increase productivity and enhance organizational effectiveness (Banker et al., 1996; Dulebohn and Martocchio, 1998; Katzenbach and Smith, 1993; Mohrman et al., 1995; Newell et al., 2004). A team is defined as "a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they are mutually accountable" (Katzenbach and Smith, 1993). Team members have specific roles or functions and the life span of membership is limited (Cannon-Bowers and Salas, 1998).

Six types of work teams have been identified in the group and team literature: project, production, service, action/performing, management and advisory teams (Hackman, 1990; Sundstrom et al., 2000). Due to its complexity and uniqueness, the first type – project teams – is what we focus on in this paper.

2.2. Project teams

As project teams are a unique type of teams, Huemann et al. (2007) suggested the conditions under which HRM emerges in the project-oriented organization may differ from those associated with mainstream HRM. A project is defined as any series of activities and tasks that have a specific objective to be completed within certain specifications, have defined start and end dates, and have funding limits (Kerzner, 2009). Project teams carry out defined, specialized, time-limited projects that disperse upon completion of project (Chen et al., 2004). This creates a dynamic work environment, where additional pressures can be imposed on the employee from fluctuating work-loads, uncertain requirements, and multiple role demands (Turner et al., 2008).

Members of project teams tend to come from different departments or units within the organization, as is apparent in project and new product development teams (Sundstrom et al., 2000; Richards and Moger, 2000). In many instances, project teams are comprised of white-collar professionals who collaborate on an assigned or original project. However, it should be noted that the fact project teams operate in various contexts and industries and within different organizational structures (Kerzner, 2009; Dvir et al., 2006) also affects the way these projects should be managed. Furthermore, the tasks that project teams engage in usually involve the application of considerable knowledge and expertise (Simpson, 2006). Such project teams have been associated with high levels of innovation and autonomy (Sundstrom et al., 1990).

Project teams are generally cross-functional (Cunningham and Chelladurai, 2004; Chen et al., 2004; Cohen and Baily, 1997). Research has supported many positive outcomes to cross-functional project teams. These include greater external communication and technical quality (e.g. Keller, 2001), creativity (Jassawalla and Sashittal, 1999), and group performance (Pelled et al., 1999). However, the literature has also demonstrated negative outcomes for these teams, including lower levels of cohesion (Jehn, 1997), slower reaction times (Hambrick et al., 1996), increased costs (AitSahlia et al., 1995), and employee stress (Keller, 2001). Few researchers have even gone as far as to suggest that cross-functional teams have the potential to "worsen morale, exacerbate divisiveness, and elevate cynicism among participants" (Jassawalla and Sashittal, 1999).

2.3. Project team development

Project team development is the process of improving the competencies, team interaction, and the overall team environment to enhance project performance (PMI, 2008). This process transforms a collection of individuals with different needs, backgrounds, and expertise into an integrated, effective work unit (Thamhain and Wilemon, 1987). As a result, team leadership skills are important for project managers (Turner and Müller, 2006; Müller and Turner, 2007).

There are three phases in development of project teams (Weinkauf and Hoegl, 2002). The first phase is referred to as the "conceive phase". During this phase, the project manager and the team focus on project goal-setting, determination of approach, and resource planning. This is followed by the "organizing phase" in which the manager and team members engage in boundary establishment, delineation of relationships, team task design, determination of values and norms and the securing of resources. Finally, during the "accomplish phase", most of the activities are directed towards enabling the team members to work together as effectively as possible in order to successfully complete the project at hand. Leadership roles, such as direction, effective communication, autonomy, accomplishment, recognition, and the defining of clear organizational objectives, have been shown to have a strong