

Human Resource Management of Innovative Projects in the Context of Business Strategy

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Abstract

The strategy of any enterprise involves the development and implementation of innovative ideas in the form of projects. A set of strategically important innovative projects to achieve their performance needs to be ensured by adequate quality of human resources. Consequently, the development of the human resource management system entails particular urgency within the strategy, taking into account the needs of planning innovative projects. The study conducted by the author on 47 enterprises in Russia, demonstrating the special role of human resources in the success of innovative strategic projects and proving that the classic approaches to the personnel management cease to operate under project conditions and the innovation environment. Transformation of technologies and methods of human resource management is required, which would have started to comply with project specifics and requirements of innovation. For example, innovative projects are beginning to be relevant to workforce competencies such as: flexibility, high adaptive capacity, the ability to work under stress and time constraints, and motivation for permanent change. The techniques of underlying the diagnosis and qualification of already developed competencies minimized in the technology of personnel selection; prognostic techniques are important in the selection of candidates, as well as methods of hidden potential diagnosis that can be developed in the course of the project. The innovative nature of the project dictates special forms of motivation and stimulation of human resources project. Approaches to team building are changing in innovative projects; agile technologies enter at the forefront of the techniques. We have proposed the new techniques of human resource management relevant to conditions of innovative projects with strategic focus. Novelty developed the by author is a system of human resource management in projects.

Keywords

Strategy, project management, project team, key team competencies.

Introduction

The experience of enterprises in different countries suggests that the development and implementation of strategies is carried out in the form of innovative projects. Strategy is usually associated with the development of business through the creation and use of innovations. Advantages of the project approach make it the most appropriate for strategic management of the enterprise.

Success of innovative projects requires the establishment of certain conditions. One of them is providing the project with qualitative human resources. Consequently, within the strategy, the development of the human resources management

system tailored to the needs of the planned innovative projects has particular urgency.

The practice of project management clearly proves the validity of the statement that there are features in the management of human resources, due to characteristic features of innovative projects. The point is that human resource management of innovative projects is different from managing people in organizations, not using the project form of activity. Therefore, the aim of this study was to identify and synthesize the peculiarities of human resource management of innovative projects.

1. Literature review

The goal made is determined on the basis of the analysis of scientific publications about the lack of in-depth research on the specifics of human resources management of innovative projects. Most publications in the field project management recognize the importance of human resources in achieving success of projects and programs. Many Russian authors dedicate sections of their publications to the project team, such as Bogdanov V., Dubovik, M. F., Mazur I. I., Olderogge N. G., Polkovnikov A. V., Tovb A. S., Shapiro, V. D., G. L. Tsipes, etc (Bogdanov, 2013, p. 248; Mazur, Shapiro, Olderogge & Polkovnikov, 2009, p. 960; Polkovnikov, 2015, p. 552; Tovb & Tsipes, 2005, p. 240). Foreign authors emphasize the importance of team building in the projects, for example, J. Meredith and S. Mantel, Erik W. Larson and Clifford F. Gray (Larson, 2013, p. 784; Meredith & Mantel, 2014, p. 640; Thompson, 2008, p. 544). However, the issues of personnel management with account of innovative project activity have not been studied enough at the moment. It makes this study relevant.

2. Results of the study

Before addressing the features of human resource management of the project we should refer to the results of our research conducted in 2012-2016 at the enterprises successfully using project management in Omsk. The sample amounted to 47 companies, which can all be recognized as experts in project management. The results of the survey showed that, along with the other functional areas of project management, personnel management is noted as a critical area (table 1). So, 85.1 % of enterprises used it at the time of the survey and 93.6% were planning to use it in the future.

Table 1 Distribution of answers to the question: "What functional areas are implemented at your company, what would you like to enforce?"

Functional areas	Apply		Would like to apply	
	units (PCs)	%	units (PCs)	%
managing the content of project work	47	100.0	47	100
time management	45	95.7	47	100
cost management	44	93.6	47	100
quality management	31	65.9	44	93.6
personnel management	40	85.1	24	93.6

risk management	17	36.2	40	85.1
communication management	28	59.6	29	61.7
supply chain management	22	46.8	23	48.9
management of projects integration	14	29.8	23	48.9
change management in projects	16	34.1	21	44.7

Source: author

Thus, without exception, all the experts recognized that management has its own characteristics in the context of project human resources. Imagine these features, highlighted by the author, based on the analysis of the experience of leading enterprises who participated in the study.

First, the project involves time-limited activity. This feature of the projects provokes increased importance of some functions of human resource management and, conversely, casts doubt on other functions. In the project there is a growing urgency of adaptation, teambuilding, and creating favourable climate. The main task is to form quickly an effective project team. The temporality of the team, as well as acceleration throughout of evolutionary stages, makes it a comprehensive approach to the management of conflicts function at the stage of coordination of interests and development of team leadership. In non-project groups this stage is often blurred, lasts a long time and without the existence of a clear and compelling signs. In project form, by necessity of speedy and intensive group, the development the conflicts can be fairly sharp and require quick and skilled intervention.

Some directions of personnel work, the effect of which is manifested in greater degree in longer term, such as staff development and training, require careful decision about their appropriateness. If the project is short, simple and brings little profit, the training may be unnecessary technology; its cost will exceed the results obtained in this particular project. However, if the company is dominated by project activities, long-term investment in staff through training can be justified, as their effect will manifest itself in future projects. A feature of career management of staff is also formed in the projects. This is due to the fact that it is not possible to build career ladders in the framework of a single project; throughout the project the staff performed their assigned project roles. Often project staff feels insecure about their

future after the completion of the work in the project.

These feelings are sometimes justified, since the company disbands the team at the end of each project, and the question of what is the future of given employee is solved each time. If an employee has a permanent job in the structural division of the enterprise, this question is solved simply: the employee begins to perform only functions duties and if required may be included in new projects of the company. This situation is typical of functional and matrix organizational structures. But in project entities in which the company carries out its activities only in the project form, the task of career management acquires its own peculiarities. It becomes important to plan career moves, as part of different projects, providing staff with the opportunities of such career ladders that motivate work in terms of projects. Practice shows that the lack of a clear vision of career opportunities is a strong demotivator for many employees.

Secondly, the project team can be very heterogeneous in its structure; it may consist of personnel drawn from external sources of employees, collectives of other enterprises and organizations in situations of large-scale and long-term projects. The complexity and diversity of statuses of project team members also entails specific features of human resource management of the project. First of all, personnel policy in relation to different status of project participants must be different. In view of continuously operating workers in organizations, the staff temporarily engaged in the project must respect the principles of consistency, coherence and continuity of human activities. The work in this particular project for these participants is the only step in the career at the company. These employees have already undergone the adaptation to the enterprise, they may have already worked with the current team members, they need only to adapt to a new project and a new project role.

These employees are already in database of assessment of their competences, potential, and achievements, which can be used in the selection of this project team, and then add the results of the work in this project. These employees already have a career plan and the work in a specific project is planned as the level of the career movement in the organization. The training of such employees is more than justified because it enriches the organization's human capital. As a regard of employees that were recruited for the

project from external sources, the main tasks of the personnel policy is: recruitment and retention in a specific project by using the temporary system of motivation and stimulation, provision of intensive care in early adaptation to new conditions. In a situation when a project team includes the entire organization and often there are big companies, the main reference point of personnel policy is to harmonize the technology of work with the staff of the parent organization, i.e. initiating and implementing the project, and involved in the project of organization. In this case it is necessary to smooth out all possible contradictions and conflicts, to try to lead to unified principles of personnel policy of these organizations.

Thirdly, the project has its own management system, management team and governance arrangements that are created for each new project. It is also important that the project management team is not built into the organizational composition of the enterprise. This project feature affects the appearance of the need to create within the system of management of the specific project its own unique subsystem of human resource management just for this project. When planning individual projects each time questions need to be resolved: is there a need for the role of a specialist in personnel management in this project, who will fill that role, whether it is necessary to include in the composition of the project team of the HR Manager, is it advisable to outsource the HR functions for the project. And in every single project of the same company, the answers to these questions can vary greatly, depending on the features of the project, its objectives and build the management structure of this project.

Fourth, the project is aimed at complex problem that can be solved only by joint efforts rather than individual actions of individual team members. This greatly increases the relevance of a variety of human technologies aimed at team building. In particular, in the framework of human resource management of the project what comes at the forefront is the task of achieving role balance of the team, compatibility of team members, developing skills of cooperative discussion of problems and decision-making, the development dynamics of the project team and other tasks that may be missing in non-project groups.

Fifthly, in innovative projects it is difficult or impossible to copy and replicate the technologies of human resources management gained during implementation of other projects. As it is well

known, standardization of technologies and business processes can increase their effect, so that the replication of experience is often useful. However, the experience can be used only partly in innovative projects. The situation in each innovation project is new, so the human resources management is situational, there is a problem of permanent selection and approbation of new techniques of work with personnel, and project-specific technologies of human resource management often need to be developed. This does not contradict the aspiration of finding universal scheme of work with an innovative project team, but they need to be adapted to the unique conditions of a particular innovative project. In this regard the requirements for the skill of the actors involved in the human resources management of innovative projects are of key importance. Their jurisdiction should include flexibility, adaptability, creativity, intuition, involvement, receptivity, and learning new things, ability to become a “team player” in the collective subject of project management.

Study of the best enterprises experience in the field of project management has enabled to develop a model system of human resource management of projects (figure 1). It includes a set of related functional elements. Implementation of all these elements helps to bring human resources quality level to the needs of projects and company strategy.

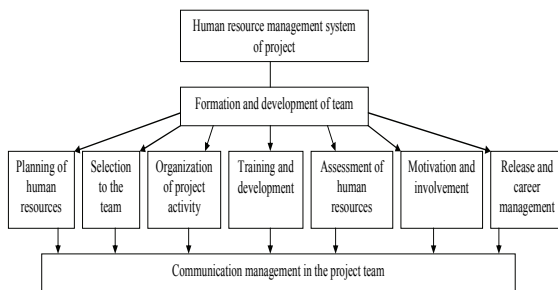


Figure 1 Elements of human resources management system of projects
Source: author

Conclusions

Human resource management system of innovative projects has specific features, which appear under the influence of project innovative activity. The success of innovative projects requires development and implementation of such human resource management system of projects, which include functions of forming the project team, managing internal and external communications in project, selection to the team and role assignment, assessment of project team members; motivation and involvement in project activity, managing of project career, development and training, organization of project activity, and release of personnel from the project. The author proposes a systemic model of human resources management of the project. It differs from the classical system of personnel management in non-project organizations, the set and maintenance of functions. For example, there are new functions of team building and project communication, release of personnel and management of project career. The author shows specific features of various functional elements of the human resource management system of projects. All this will allow ensuring the effectiveness of innovative projects that, in turn, will provide the basis for the enterprise strategy implementation. **SM**

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