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HIGH PERFORMANCE WORK PRACTICES AND PROJECT MANAGER TURNOVER IN IT PROJECTS

Master’s Thesis in
Computer Science

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABBREVIATIONS</td>
<td>4</td>
</tr>
<tr>
<td>TABLE OF FIGURES</td>
<td>5</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>6</td>
</tr>
<tr>
<td>TIIVISTELMÄ</td>
<td>7</td>
</tr>
<tr>
<td>1 INTRODUCTION</td>
<td>8</td>
</tr>
<tr>
<td>1.1 Research background</td>
<td>8</td>
</tr>
<tr>
<td>1.2 Research question and methodology</td>
<td>9</td>
</tr>
<tr>
<td>1.3 Structure of the study</td>
<td>10</td>
</tr>
<tr>
<td>2 HIGH PERFORMANCE WORK SYSTEMS</td>
<td>12</td>
</tr>
<tr>
<td>2.1 Organizational and human resource architectures</td>
<td>13</td>
</tr>
<tr>
<td>2.2 High performance work practices</td>
<td>14</td>
</tr>
<tr>
<td>2.2.1 Categories</td>
<td>15</td>
</tr>
<tr>
<td>2.2.2 Core practices</td>
<td>16</td>
</tr>
<tr>
<td>2.2.3 Perceived and actual practices</td>
<td>17</td>
</tr>
<tr>
<td>2.3 Organizational performance</td>
<td>18</td>
</tr>
<tr>
<td>3 IT PROJECT MANAGEMENT</td>
<td>20</td>
</tr>
<tr>
<td>3.1 IT project</td>
<td>21</td>
</tr>
<tr>
<td>3.2 The role of project manager</td>
<td>23</td>
</tr>
<tr>
<td>3.3 Project manager turnover</td>
<td>25</td>
</tr>
<tr>
<td>3.4 Human resource management and RPM</td>
<td>28</td>
</tr>
<tr>
<td>4 RESEARCH METHODOLOGY</td>
<td>31</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
</tr>
<tr>
<td>---------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>4.1</td>
<td>Research design</td>
</tr>
<tr>
<td>4.1.1</td>
<td>Research strategy</td>
</tr>
<tr>
<td>4.1.2</td>
<td>Data collection methods</td>
</tr>
<tr>
<td>4.2</td>
<td>Data collection</td>
</tr>
<tr>
<td>4.3</td>
<td>Data analysis</td>
</tr>
<tr>
<td>4.4</td>
<td>Research quality and ethics</td>
</tr>
<tr>
<td>5</td>
<td>ANALYSIS AND RESULTS</td>
</tr>
<tr>
<td>5.1</td>
<td>Phases of the analysis</td>
</tr>
<tr>
<td>5.2</td>
<td>Introduction of participants</td>
</tr>
<tr>
<td>5.3</td>
<td>Human resource practices and preventing RPM</td>
</tr>
<tr>
<td>5.3.1</td>
<td>Project managers need organization-wide support</td>
</tr>
<tr>
<td>5.3.2</td>
<td>Too much HR work is accumulated on line managers</td>
</tr>
<tr>
<td>5.3.3</td>
<td>Project managers need training and knowledge-sharing</td>
</tr>
<tr>
<td>5.3.4</td>
<td>Project material needs to be formally documented</td>
</tr>
<tr>
<td>5.3.5</td>
<td>HR department is too distant</td>
</tr>
<tr>
<td>5.3.6</td>
<td>Current compensation models are dysfunctional</td>
</tr>
<tr>
<td>5.4</td>
<td>Human resource practices and managing RPM</td>
</tr>
<tr>
<td>5.4.1</td>
<td>Co-operation between HR and line managers is poor</td>
</tr>
<tr>
<td>5.4.2</td>
<td>Current workload optimization model is dysfunctional</td>
</tr>
<tr>
<td>5.4.3</td>
<td>Time constraints create limitations for smooth transfer</td>
</tr>
<tr>
<td>5.4.4</td>
<td>Co-operation between old and new project managers is crucial</td>
</tr>
<tr>
<td>5.5</td>
<td>Human resource practices and sorting out RPM</td>
</tr>
<tr>
<td>5.5.1</td>
<td>Co-operation between customers, project management and HR is vital</td>
</tr>
<tr>
<td>5.5.2</td>
<td>New project managers need continuous support</td>
</tr>
<tr>
<td>5.5.3</td>
<td>Customer feedback is valuable</td>
</tr>
</tbody>
</table>
5.6 Conclusions

6 DISCUSSION

6.1 Summary of the study

6.2 Recommendations

6.3 Future research

6.4 Limitations

SOURCES

APPENDICES

APPENDIX 1. Recommendation letter

APPENDIX 2. HPWP categories and Finnish translations (Posthuma et al. 2013)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPWP</td>
<td>High performance work practice</td>
</tr>
<tr>
<td>HPWS</td>
<td>High performance work system</td>
</tr>
<tr>
<td>HR</td>
<td>Human resources</td>
</tr>
<tr>
<td>HRM</td>
<td>Human resource management</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>PM</td>
<td>Project manager</td>
</tr>
<tr>
<td>RPM</td>
<td>Replacement of project management</td>
</tr>
<tr>
<td>SHRM</td>
<td>Strategic human resource management</td>
</tr>
</tbody>
</table>
# TABLE OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Integrating High-Performance Principles, Policies, Practices and Products Within Parallel Organizational and Human Resources Architectures (Posthuma et al. 2013).</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Process model of RPM in IS projects (Vartiainen 2015).</td>
<td>28</td>
</tr>
<tr>
<td>3</td>
<td>HPWP categories as mentioned in the first part of the interview.</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>HPWP categories as mentioned in the second part of the interview.</td>
<td>45</td>
</tr>
<tr>
<td>5</td>
<td>HPWP categories as mentioned in the third part of the interview.</td>
<td>50</td>
</tr>
</tbody>
</table>
ABSTRACT:

The focus of this study is to present how high performance work practices (HPWPs) can be used to prevent, manage or sort out the replacement of project manager (RPM) in IT projects. HRM has secured its role as an important factor affecting organizational performance, and thus it can be assumed that it also plays a part in project performance. The project manager has a key role when it comes to project success and so it is vital to analyse what can lead to RPM and what effects it might have on project performance. The idea behind the emphasis of this study is that the two well known fields of strategic HR and project management can be combined to mitigate the negative impacts of the common but less researched phenomenon of RPM.

The study is based on qualitative research. A group interview was conducted with HR and project management professionals in a large Finnish IT sector organization to find out whether HPWPs are already used in the context of RPM. With an extensive literature review as the backbone, the interview was used to gather empirical data on the phenomenon.

In addition to providing an overview on the theoretical frameworks of HPWPs and IT project management, this study shows how, through the use of HPWPs, RPM could be prevented, managed or sorted out. The gathered data provides real life examples and suggests ways to deal with different scenarios related to RPM.

KEYWORDS:

Project manager, turnover, high performance work practices, IT project
TIIVISTELMÄ:

Tutkimuksen tavoitteena on esittää kuinka tuloshakuisten henkilöstökäytäntöjen avulla voidaan ehkäistä, hallita tai selvittää tilanne, jossa projektipäällikkö vaihtuu kesken IT-projektin. Strateginen HR on tärkeässä roolissa organisaation suorituskyvyn parantamisessa, ja oletettavasti vaikuttaa merkittävästi onnistumiseen myös projektitasolla. Projektipäällikkö on ratkaiseva tekijä projektin menestyksessä, minkä vuoksi on tärkeää analysoida mikä voi johtaa projektipäällikkön vaihtumiseen kesken projektin (replacement of project manager, RPM) ja mikä vaikutus tällä on projektin onnistumisen kannalta. Tämän tutkimuksen tarkoituksena on tutkia miten yhdistämällä strateginen HR ja projektinhallinta voidaan lieventää RPM-ilmön negatiivisia vaikutuksia.


Tutkimus paitsi tarjoaa katsauksen tuloshakuisten henkilöstökäytäntöjen ja projektinhallinnan teoreettiin viitekehyksiin, myös esittää kuinka henkilöstökäytäntöjen avulla voidaan ehkäistä, hallita tai selvittää tilanne, jossa projektipäällikkö vaihtuu kesken projektin. Kerätyn datan avulla esitetään käytännön esimerkkejä RPM-tilanteiden hoidosta ja ehdotetaan tapoja erilaisten RPM-skenaarioiden käsitellyyn.

AVAINSANAT:

Projektipäällikkö, vaihtuvuus, tuloshakuiset henkilöstökäytännöt, IT-projekti
1 INTRODUCTION

Strategic human resource management (HRM) has gained increasing interest both amongst the field’s scholars and business professionals during the past decades. It has become a truly noteworthy part of many organisations’ management strategies and it is gaining recognition as an important competitive advantage. Especially in organizations where the nature of work is knowledge based and the majority of workers are so called knowledge workers, the importance of HR management and the ability to harvest tacit knowledge become vital.

As the nature of work in most organizations has become more project-oriented, the demand for both project management research and practitioners has increased. The complexity of project work has gained attention and ways to tackle the new challenges are continuously developed. Additionally, in today’s IT-centred world, more or less every project involves some IT elements, which is why the importance of IT projects and IT in projects for organizations is immense.

Seeing the growing importance of HRM, IT and project management, it can be said that all have or are likely to have the potential to contribute to an organization’s competitive advantage. An interesting perspective to this is how the aforementioned affect each other and what kind of effects there are if they would be strategically combined.

1.1 Research background

Plenty of research has been conducted on both project management and strategic HR practices respectively. Recent research on HR practices includes the work of DeNisi, Wilson & Biteman (2014), Posthuma, Campion, Masimova & Campion (2013) and Tzabbar, Tzafir & Baruch (2016). Some of many examples of the latest (IT) project management studies are those of Stewart (2008), Keil, Lee & Deng (2013) and Samset & Volden (2016).
Less material is available on the topic of project manager turnover, or specifically replacement of the project manager during IT projects, the most notable studies being Vartiainen, Airamo-Immonen & Liikamaa (2010), Vartiainen, Pirhonen, Airamo-Immonen & Liikamaa (2012) and Vartiainen (2015).

The focus of this study is to present how high performance work practices (HPWPs) can be used to prevent, manage or sort out the replacement of project manager (RPM) in IT projects. As stated, HRM has secured its role as an important factor affecting organizational performance, and thus it can be assumed that it also plays a part in project performance. IT projects are known for their relatively higher rate of failure and the project manager is key in the delivery of any project. These points tie together the topic of this study.

As a summary, the idea behind the emphasis of this study is that the two well known fields of strategic HR and project management can be combined to mitigate the negative impacts of the common but less researched phenomenon of RPM.

1.2 Research question and methodology

In addition to providing an overview on the theoretical frameworks of HPWPs and IT project management, the purpose of this study is to showcase how, through the use of HPWPs, project manager turnover could be prevented, managed or sorted out.

The study is based on qualitative research. A group interview was conducted with HR and project management professionals in a large Finnish IT sector organization to find out whether HPWPs are already used in the context of RPM.

The research question of this study is as follows.

- How can high performance work practices prevent, manage or sort out RPM?
A qualitative research method was followed in the study in order to gain insightful information. With an extensive literature review as the backbone, the expert interview was conducted to gather empirical data.

The expected results include a notion that RPM is a known phenomenon in the organization and that the best ways to manage RPM situations are unknown. The link between HR and RPM might be too obvious to consider or the situation so chaotic that a structured approach is difficult to implement. One key assumption is also that different HR practices are useful in different RPM situations and that a plan for RPM situations should be drafted in co-operation between HR and project management.

1.3 Structure of the study

The study has been divided into a literature review based theory part and a part describing the research methodology, research execution and results. The literature review is two-fold and research details presented in three chapters.

A literature review was conducted on the main theoretical frameworks related to the topic of the study. Majority of the material consists of academic articles from the past ten years. As the theoretical framework of the study is two-fold, it was considered best to divide the literature review on both respective fields in separate chapters. Both introduce main thematic topics within the scope of this study and provide an outlook on past research. In chapter two the background, definitions and earlier research on high performance work systems and practices are described. Additionally, chapter three focuses on IT project management topics.

The second entity of the study includes a thorough description of the research methodology and analysis. In chapter four the research process is explained step by step and the chosen research strategies and tools are introduced. The fifth chapter focuses on the research findings and their analysis. Lastly, the sixth chapter offers a conclusion to the study and additionally the structure, methodology, findings and analysis are
summarized and both recommendations and references for possible future research are given.
2 HIGH PERFORMANCE WORK SYSTEMS

Human resources and their management has been an important field of research in economics and business administration for decades. Some of the most prominent figures in the development of the discipline were Frederick Winslow Taylor, C S Myers, Abraham Maslow and Max Weber, whose work still forms the basis for theories in organizational psychology and behaviour. Other earlier research in the field of HR and especially strategic human resource management (SHRM) include the work of Miles & Snow in 1984, Lengnick-Hall in 1988 and Beer et al. in 1985. (Azmi 2011, Guest 1997, DeNisi et al. 2014).

HR research and practice have increasingly diverged in the past decades (DeNisi et al. 2014). Due to developments in information technology and the increasing relevance of creating new knowledge, intellectual capital and thus human capital have become more and more meaningful. It has also been evident for long that organizational performance can be considerably improved by supporting HR systems and practices (Popaitoon & Siengthai 2014; Tzabbar, Tzafrir & Baruch 2016.) The increasingly global marketplace has increased the demand for HR professionals as it has become vital for organizations to attract, engage, develop and retain talent (Society for Human Resource Management, 2011: 3–4).

To unravel the expanding topic of human resource management strategies and specifically high performance work systems and practices (HPWSs/HPWPs), a number of theories, studies and related frameworks need to be studied and summarized. After grasping the relevant terminology, the framework around HPWSs with its systems, tools and processes needs to be understood.

In this chapter research related to HPWSs and HPWPs as well as HR architectures is introduced. An overview on the link between HPWPs and organizational performance is also given.
2.1 Organizational and human resource architectures

Posthuma et al. (2013) provide a theoretical multilevel framework around HPWSs to explain how and why specific HPWPs reinforce each other within systems to increase organizational efficiency and effectiveness. They describe an HR architecture and an organizational architecture that are parallel and hierarchical in nature and that both have the following four elements: Principle, Policy, Practice and Product. The two architectures aim to achieve higher organizational performance by forming a unique organizational design.

Figure 1. Integrating High-Performance Principles, Policies, Practices and Products Within Parallel Organizational and Human Resources Architectures (Posthuma et al. 2013).
In the showcased framework parallelism of the two architectures means that both architectures contain principles, policies, practices and products with the same end goal. Additionally, within the levels of both architectures there is a suitable matching that enables the systems to support each other. So when different levels within the HR architecture are aligned and the elements have the same goal, the architecture becomes a high-performance system. An appropriate alignment to and fit with the overall organizational strategy is however still necessary. (Posthuma et al. 2013)

As mentioned, within a high-performance HR architecture HPWSs can be divided into four levels:

- **Principles**: for example vision, mission and values of the organization and a general philosophy guiding the design of the HR system
- **Policies**: organizational strategies that give a more specific view on how organizational performance could be enhanced
- **Practices**: methods and procedures for implementing principles and policies
- **Products**: the end results of the implementation of the higher architectural levels

The levels are hierarchical in nature. Principles are general and broad statements that guide the establishment of policies, which in turn are more specific and should match the organizational strategies. Policies then provide guidance and support for the design and implementation of practices. Practices refer to specific methods used to implement principles and policies; in a high-performance HR architecture practices are called high-performance work practices (HPWPs). Finally, practices create products, which in the case of high-performance systems are the competencies created by the parallel architectures. (Posthuma et al. 2013).

### 2.2 High performance work practices

High performance work systems (HPWSs) refer to HR systems that leverage employee commitment, productivity and competencies. HPWSs consist of integrated sets of high
performance work practices (HPWPs), and the benefits of HPWSs result from the appropriate matching and integration of different HPWPs. As the number of possible combinations of HPWPs is very large, the complexity of the HPWS increases. However, this could also provide organizations with a source of competitive advantage as observing and imitating the sets of HPWPs of successful organizations becomes difficult. (Posthuma et al. 2013).

The grouping and bundling of HR practices into HPWSs has considerable advantages as opposed to individual HR practices alone. How the bundles are built and which practices they consist of depends on the organization and its strategy. It is widely agreed that bundles of HR practices can have substantial positive impacts on an organization’s performance. (Jiang & Liu 2015, Posthuma et al. 2013.) On the other hand, Tzabbar et al. (2016) found that some individual HPWPs can have a stronger impact on performance than some HPWP bundles, and the variance depends on firm size, industry and geographical location.

Posthuma et al. (2013) analysed HPWP research from 1992 through to 2011 in order to provide structure around the topic. They developed a comprehensive High-Performance Work Practices taxonomy where practices and practice categories are classified and described and then further analysed. Their analysis illustrates how research literature on HPWPs has changed its focus between the two points in time. They add that changes in research literature may also mirror changes in the actual use of HPWPs in organizations.

2.2.1 Categories

Posthuma et al. (2013) created nine HPWP categories in order to ensure the comprehensiveness of the taxonomy. The categories are based on reviewed prior work that identified HPWPs into types or groups. The nine HPWP categories are ordered from the most to least frequently mentioned and are as follows:

1. Compensation and Benefits
2. Job and Work Design
3. Training and Development
4. Recruiting and Selection
5. Employee Relations
6. Communication
7. Performance Management and Appraisal
8. Promotions
9. Turnover, Retention and Exit Management

After creating the nine HPWP categories, all 61 identified practices were sorted into the categories.

2.2.2 Core practices

Posthuma et al. (2013) identified a total of 61 practices that they then further characterized as core, broad and peripheral practices. In this study the focus is on the core practices, which are in total 14. The core practices were identified based on overall frequency, being stable or growing over time and reported top 30 most frequently cited practices in four of five regions of the world. The core practices have broader generalizability and less temporal and spatial boundary conditions. The core practices fall into practice categories as follows:

- In the Compensation and Benefits category there are five core practices: *Pay for Performance*, *Formal Appraisal for Pay*, *External Pay Equity/Competitiveness*, *Incentive Compensation* and *Profit or Gain Sharing*.
- Two core practices in the Job and Work design category are *Decentralized Participative Decisions* and *Job Rotation/Cross Functional Utilization*.
- The Training and Development category has three core practices: *Training Extensiveness*, *Use of Training to Improve Performance* and *Training for Job or Firm Specific skills*.
- In Recruiting and Selection the core practices are *Hiring Selectivity or Low Selection Ratio* and *Specific and Explicit Hiring Criteria*. 
The Employee Relations and Communication categories both include one core practice: *Job Security/Emphasis on Permanent Jobs* in the former and *Formal Information Sharing Program* in the latter.

The remaining categories of Performance Management and Appraisal and Promotions neither include core practices.

Posthuma et al. (2013) analyze their findings from different viewpoints. In their chronological analysis they present growing, stable and declining practices. The frequency of growing practices in the literature has increased more than 33.3% between 1992 and 2011. The frequency of stable practices has not varied by more than 33.3%. According to the analysis, the growth in some practices might be resulting from several reasons such as changing conditions, regional variance in the proportion of published research or researchers’ belief in the usefulness of some practices over others. All identified core practices are either growing or stable.

An example of the importance of individual HPWPs is provided by the Society for Human Resource Management (2011: 38). They present the effects of selection and supervisor training on turnover. According to their data, annualized turnover significantly dropped as more resources were put in selection and supervisory training.

### 2.2.3 Perceived and actual practices

In his commentary essay, Werner (2010) summarizes research on HPWSs based on the level of analysis. He explains the differences between perceived and actual HPWPs and how a change in the level of analysis can have important implications on how the firm operates. The practical implications can be major if using perceived rather than actual HPWS as the focal point.

According to Werner (2010), the focus of past HPWS research has typically been on actual HPWPs and thus the level of HPWS analysis has been on the firm rather than individuals. When the focus is on actual practices, firm level outcomes such as sales
growth, market performance, employee turnover and profitability are used to measure the HPWS.

When the HPWS is measured as perceived by employees, the analysis shifts to individual level. Individual level independent variables such as job satisfaction, organizational commitment and job performance can be in the focus when considering perceived practices. (Werner 2010.)

Werner (2010) concludes that firms need to be aware of their employees’ perceptions in order to keep up with the effects of the HPWS. This becomes even more important if improved individual and organizational performance is reached through perceived rather than actual HPWPs. Focus should be on ensuring that employee perceptions accurately reflect the actual HPWS; in this, communication and education of practices is vital.

2.3 Organizational performance

The favourable effect of HR practices and especially HPWPs on organizational performance has been found decades ago. The earlier research focused on the impacts of separate HR practices on organizational performance, but the focus has later on shifted to the combined effect of HR practice bundles or systems. (Jiang & Liu 2015, Tzabbar et al. 2016.)

Popaitoon & Siengthai (2014) found that HRM practices favourably affect project performance especially in the long-run by enhancing knowledge capture and management. They add that HRM practices also help prepare for future projects by supporting project participants’ career development, assigning suitable participants and maintaining the fit with the organization’s strategy.

According to Posthuma et al. (2013), competencies that fit with the overall organizational strategy have the potential to favourably influence the organization’s ability to achieve higher performance. Continuing this, the Society for Human Resource
Management (2011: 102) states that without strong leadership and a focused work environment that promotes motivation, organizational success cannot be achieved.

Tzabbar et al. (2016) demonstrate that HRM practices have a significant positive relationship with organizational performance. Additionally, they found that the relationship between HPWPs and organizational performance is stronger than that of individual HRM practices and organizational performance.

Jiang & Liu (2015) investigated how HPWPs and HPWSs influence the intra-organizational network and found that positive changes within the network lead to organizational effectiveness. In their research, examples of increased organizational effectiveness were favourable interpersonal relationship environment, knowledge transfer and innovation. Similarly, Ogbonnaya & Valizade (2016) found that HPWPs have a direct positive relationship with individual level employee outcomes such as employee engagement and satisfaction. This in return could have effects such as decreased staff absenteeism on the organizational level, improving organizational performance.
3 IT PROJECT MANAGEMENT

Project management as such is an age old term. However, even though the tools and methods of project management have changed and developed greatly in the past few decades, the basic components have remained the same. According to Murch (2002: 10), project management in its simplest form is about combining people, processes and technologies to do things better, faster and more efficiently. Project management typically refers to “the processes established to organize and manage resources required to complete a project within defined scope, quality, time and cost constraints” (Samset & Volden, 2016).

Hundreds of years of events and people have made project management what it is today. Through industrial revolution, world wars and the first computers in 1950s as well as key figures such as Frederick Taylor, Henry Gantt and W. Edwards Deming, project management and the role of the project manager have become some of the most important areas of work in many companies. (Murch 2002: 1-10.) Research on project management has been conducted for decades. The scope of research has slowly shifted as the nature of work in firms has become more project-oriented.

The link between IT and firm performance has been noticed long ago. Bharadwaj (2000) demonstrates in his research that firms with high IT capabilities are more likely to perform well by different profit and cost-based performance measures. Stewart (2008) states that an increasing number of organizations are investing a lot of resources in IT in order to seek competitive advantage. Following this, project management can be seen as the key element when estimating the success of IT in organizations (Stewart 2008).

IT work is typically carried out in phases and that’s why organising it into projects is logical. Additionally, in today’s IT-centred world, more or less every project involves some IT elements. As IT plays such a major role in organizations it is obvious that failure in IT projects can cause massive financial losses and other negative consequences. This is why it is easy to see that the importance of IT projects and IT in
projects for organizations is immense. Even though the strategic value of each IT system and project is different, their failure will nevertheless cause significant disruptions to an organization’s business operations (Bharadwaj, Keil & Mähring 2009).

In order to improve the success rate of IT projects, it is vital to understand how to better manage them. Hadaya, Cassivi and Chalabi (2012) wanted to identify the most important IT project management resources and capabilities. They found that the two most valuable, rare and inimitable capabilities were the capability to understand and manage the project stakeholders’ needs, expectations and priorities; and the capability of the organization to align IT projects with organizational strategy and business objectives.

As project management is quite a vast field, explaining its very basics is left outside the scope of this study. However, in order to better understand the scenario where replacement of the project manager (RPM) might occur, it is necessary to familiarize with the basic contents of an IT project, the role of the project manager and project manager turnover. This chapter provides an overview on these topics.

3.1 IT project

In the past twenty years, the number of IT projects has rocketed in all fields, in both private and public sector organizations. New and improved information systems have been implemented in human resources, finance, social and health care, logistics and other fields. This development has called for a huge increase in the demand for project managers and project management competence (Crawford 2005.)

IT projects can include elements from hardware, software and services. Often they involve the whole information system. IT projects include software development projects, information systems projects, software projects and information and communication technology projects (Liikamaa, Vartiainen, Pirhonen & Aramo-Immonen 2015).
The project lifecycle ties together the different phases that constitute a project. The main objectives of the project lifecycle are decreasing companies’ IT costs, shortening production and market entry times and improving the quality of information systems. The project lifecycle provides a detailed overview of the activities and procedures that a project team follows during a project. The main phases of all projects are similar, but the specific characteristics and activities are unique in each project. For example, an IT project such as a software development project typically consists of the following phases:

1. Initiation
2. Planning
3. Execution
4. Monitoring and controlling
5. Closing

Additionally, phases such as test design and preparation, training design and implementation planning are often carried out simultaneously with the main phases. (Murch 2002:57–60.)

When comparing with other types of projects, IT projects tend to be short-term and contain higher uncertainty (Wang, Wood, Abdul-Rahman & Lee, 2016). IT projects have often been described as risky or difficult and to have a higher tendency to be delivered late or over budget (Wateridge 1997, Bharadwaj et al. 2009, Liu 2015.) Wateridge (1997) states that IT projects are different from other projects because many criteria, such as quality and satisfaction are subjective in nature and requirements are often unclear in the beginning of the project and might change when the project proceeds.

According to Keil, Lee and Deng (2013), a high rate of failure still marks IT projects. In addition to general management challenges like resource and budget constraints and deadlines, other factors that potentially contribute to the failure of IT projects are unique technical challenges, security risks, network failure and interoperability issues (Wang et
Especially critical to the success of IT projects are the skills of the project manager (Waterige 1997).

As supported by Wang et al. (2016), the nature of IT projects has changed due to the shift from IT products to IT services. Similarly, the focus of project management has shifted away from product creation as the end goal to value creation (Sauer, Gemino & Reich 2007.) Despite this shift, projects still need managing and governing, if not more, then at least as much as before. IT projects face challenges such as over-ambitious size, moving targets and managerial turnover, and it is essential that top management and steering committees play a significant role in managing project risk and supporting the project manager (Sauer et al. 2007).

3.2 The role of project manager

Generally, in earlier IT projects, project managers have often been picked from within the employees of the unit that would ultimately become the end-users of the implemented system, instead of choosing an IT professional to lead the project. In recent years it has become more popular to employ project managers who are experts specifically in the area of project management rather than in the project’s field. (Crawford 2005, Andersen 2015.)

It is known that project managers and their performance are critical to any project’s success (Keil et al. 2013). According to Wateridge (1997) this is especially the case in IT projects, as the new working practices and technologies have a significant impact and there are many stakeholders involved. As organizations in knowledge-intensive industries like IT define more of their activities as projects, the demand for project managers and the interest in project managers’ competencies keep on increasing: following this, the project manager and his/her competencies have become the centre of a project’s and thus the organization’s success (Crawford 2005, Loufrani-Fedida & Missonier 2015.)
Wateridge (1997) lists what different authors have identified as areas of project management expertise in the past. Planning, organising, controlling and people management recur in most authors’ research as the key tasks for project managers. Wateridge (1997) adds that skills and qualities that project managers should employ will be different on each type of project. Research by Wang et al. (2016) suggests that, given the changed nature of IT projects, project managers with strong inter-personal skills or more experience would be best positioned to manage IT projects.

As explained above, project managers need to flex their style depending on the type of the project. According to Wateridge (1997), project managers with a wide portfolio of skills and a range of leadership styles will have an advantage over others. Also Andersen (2015) argues that project management can be seen from different perspectives: in the task perspective the project manager’s focus is on delivering within budget, on time and with specified quality, whereas in the organizational perspective the focus is to support creating additional value in the receiving organization. Wang et al. (2016) divide IT industry project managers into two types: technical project managers and functional project managers.

According to Mantel, Meredith, Shafer and Sutton (2001), the main roles of (IT) project manager are facilitator, communicator, virtual project manager and meetings chair. Gillard (2004) concludes that developing effective communication skills is immensely important for project managers and possibly the most challenging component of leadership.

Murch (2002: 13–18) categorises skills that are typically considered a must for IT project managers as follows:

1. Interpersonal skills
2. Technical skills
3. Leadership skills
4. Survival skills

Keil et al. (2013) suggest that there is a core set of project management skills that are important for project managers to master regardless of field. They provide a list of 19
most important IT PM skills, out of which the top five were leadership, verbal communication, scope management, listening and project planning. Interestingly, none of the top five skills are technical.

It is also vital that project managers continuously educate and train themselves in order to keep their skills up to date. This is especially critical in IT projects as new tools, frameworks and technologies continuously emerge. Wateridge (1997) concludes that training is at least as important as experience in learning project management skills, and that every project manager should continue to learn about the role throughout their career. This is why personal development programmes should be established for project managers.

According to Sauer et. al (2007), IT project managers cannot accept all the responsibility when it comes to delivering projects successfully. Support from line managers, top management and steering committees is important in different stages of the project. Loufrani-Fedida & Missonier (2015) found that in many cases most of project management know-how and competencies are still solely held by the project manager. They propose a multilevel approach to project competencies that suggests that managers in project-based organizations should implement a shared project management responsibility between individual and organizational competencies, and focus on organizational integrative competencies in addition to individual (project manager’s) functional competencies.

3.3 Project manager turnover

Plenty of research has been conducted on staff and management turnover in organizations (Parker & Skitmore 2004; Ferratt, Agarwal, Brown & Moore 2005; Maertz & Kmitta 2012.) Turnover is a complex phenomenon and the reasons to and effects of turnover are manifold. As pointed out by the Society for Human Resource Management (2011: 10), turnover in the organization will increase and efficiency decline if a proper workplace environment for employee engagement is not in place.
Project manager turnover is an example of management turnover. A very close term to this is replacement of project manager (RPM) which adds a more practical view on the issue. A smaller number of researchers have addressed this topic. However, as pointed out in this study, the project manager is a key figure when it comes to project success and thus it is vital to analyse what can lead to RPM and what effects it might have on project performance. In this study the focus is particularly on RPM in IT projects.

When the project manager is replaced during a project, it means that he or she is transferred from managing a particular project to managing another project, expelled from the project or voluntarily leaves the project or the organization altogether. RPM is a known phenomenon especially in IT projects, but professionals are lacking clear means for addressing the situation. (Vartiainen, Pirhonen, Aramo-Immonen & Liikamaa 2012). RPM can be described as a constructive process as the end result is not fully known when RPM occurs in IT projects. (Vartiainen 2015.)

The main motivation to induce RPM is to guarantee the project’s success or try to mitigate the negative implications as much as possible. From RPM point of view it is especially important to analyse the situations that relate to the emergence of the reasons for RPM, reaction to the expressed need for RPM and the handover period after RPM. (Vartiainen 2015.)

Reasons for RPM vary from case to case. Vartiainen, Aramo-Immonen & Liikamaa (2010) studied the reasons for RPM in IT projects and found six types of reasons that they grouped into four categories through the lens of Activity Theory:

1. Primary contradictions:
   - Project manager’s personal needs, life situation, values or capabilities lead to RPM
2. Secondary contradictions:
   - Difficulties arise in the collaboration between the project manager and the project organization
   - The project manager has not met the defined objectives for satisfactory project performance
3. Tertiary contradictions:
   - Re-planning the entire project

4. Quaternary contradictions:
   - Client demands RPM in order to gain more benefits
   - Project manager is needed in another, strategically more important project within the organization

Liikamaa et al. (2015) further develop the interpretation of Vartiainen, Aramo-Immonen & Liikamaa (2010) on reasons for RPM. They conducted a survey on RPM in IT projects where they interviewed and/or surveyed several IT project professionals in order to chart what underlying reasons might cause RPM. They group the reasons, or disturbances, into four categories of contradictions that pertain to RPM. The idea behind contradictions is that understanding contrasting frames helps in managing them more effectively and in the case of RPM in IT projects, recognizing the underlying contradictions or tensions will facilitate developing the project culture to be better equipped for RPM. The introduced contradictions are as follows:

1. The personal life situation (of PM) does not support project-management success
2. The style of interpersonal conflict management does not support project-management success
3. The style of managing and leading the organization does not support project-management success
4. The profitability aims of the firm do not support project-management success

Finally, Vartiainen (2015) introduces a process model of RPM in IS projects (Figure 1) as a follow-up to the two previously mentioned RPM studies. In his process model Vartiainen uses social processes as a framework that explains the possible paths in an IS project in regards to RPM.
RPM affects multiple project elements like schedule, costs, contents, organizational relations, psychological issues and process development (Vartiainen 2015.) According to Lee (2000), most of the costs from turnover of IT professionals are hidden expenses like lower staff morale, erosion of corporate memory and disruption to work schedule. Following this, turnover also causes a substantial impact on an organization’s operating costs.

3.4 Human resource management and RPM

Project management and human resource management are connected in the sense that the HR department might participate in selecting project team members or providing information on personnel questions. When it comes to RPM situations, HR representatives might be consulted regarding the issue.
This study focuses on the effects of high performance work practices on RPM situations. High performance work practice categories grouped by Posthuma et al (2013) are as follows:

1. Compensation and Benefits
2. Job and Work Design
3. Training and Development
4. Recruiting and Selection
5. Employee Relations
6. Communication
7. Performance Management and Appraisal
8. Promotions
9. Turnover, Retention and Exit Management

This study focuses on three different RPM situations:

1. Pre-RPM (which HPWPs could be used to prevent RPM?)
2. RPM (which HPWPs could be used to manage RPM?)
3. Post-RPM (which HPWPs could be used to sort out RPM?)

Integrating the theories in these two different fields can provide some interesting outcomes. For example, one logical assumption is that if implemented correctly, the experience of HR professionals could significantly help reduce the negative impacts that RPM situations have on project success. Following this, the overall project success margin of the organization would increase, leading to improved organizational performance.

Another assumption is that HPWPs from different categories would provide useful in different RPM situations. For example, one would logically assume that selecting as well as training and development of the project manager are essential in preventing RPM all together. Communication would be especially crucial during the RPM situation, and exit management and possibly job design would play a key role in sorting out the RPM situation.
The mentioned assumptions are fully based on the researcher's interpretation of the study’s theoretical framework. Actual results of the study are introduced in detail in chapter five.
4 RESEARCH METHODOLOGY

The focus of this study is to find out how the two well known fields of strategic HR and project management can be combined to mitigate the negative impacts of the common but less researched phenomenon of RPM. This was formulated into one research question to which answers were sought through a semi-structured group interview. Given the nature of the topic of this study, it was decided that a qualitative research approach would be followed in order to gain insightful information. With an extensive literature review as the backbone, an interview was conducted to gather empirical data.

This chapter provides details on the research methodology. The research design is described with a view on the chosen data collection methods and research strategy. The processes of data collection and data analysis are explained and lastly information on research quality and ethics is given.

4.1 Research design

When turning the research question into a research process, focus needs to be on research design. Choices on research strategy, data collection methods and time horizon of the research need to be made. Qualitative research includes elements such as the researcher, context, purpose, participants, ethics, data, analysis and presentation. In general, research design is the plan of how answers to the research question will be sought. (Saunders, Lewis & Thornhill 2007; Saldaña 2011.)

A qualitative research method was chosen as the research method of this study in order to gain deeper knowledge on the topic and to form a more thorough view of the field. As the knowledge on the topic is largely experiential and held by experts, it was clear that a qualitative method was the best approach. With quantitative research methods only statistical data would have been provided: in qualitative research the investigative methods are eclectic, heuristic and holistic (Saldaña 2011:77.)
The data collected through qualitative research can consist of materials such as interview transcripts, notes, videos or documents and so are often nonquantitative in nature. In addition to having different elements to it, qualitative research can also include different styles. The style of the research can be described as the integrated whole of genre and elements. (Saldaña 2011.)

4.1.1 Research strategy

It was decided that the study’s research strategy would be case study. Case study as a strategy involves empirical investigation of a phenomenon within its real life context. With case study a rich understanding of the research context can be gained. This study is a single case study and an embedded case study, as the focus is on one case (one organization) and involves multiple levels of analysis (different departments and work groups). (Saunders et al. 2007.)

The study implements a phenomenological approach. According to Saldaña (2011: 9), phenomenology focuses on concepts, events or experiences; it is the study of a phenomenon’s essence and essentials. In this study the phenomenon in focus is RPM and some of the elements of that phenomenon are project managers and their line managers. The purpose is to examine the collective experiences and perceptions of RPM. To this the context of HPWPs is added.

With choosing a phenomenological approach for this study the focus could be directed to the thoughts and experiences that the interview participants have of RPM. What was of interest while collecting data was the content of thinking and the relationships formed between different viewpoints.

4.1.2 Data collection methods

The majority of the empirical data of this study is collected through a semi-structured group interview. As the group interview was recorded, data is stored in a form that allows multiple reviews.
When compared to individual interviews, a group interview can produce very different type of data. The discussion will not be limited to a question-answer game between the interviewer and the interviewee, but instead a real-life like interaction. In group interviews subjective and personal attributes are filtered out and the discussion will focus on what is common between the participants. The significance of a group discussion as empirical data is that the situation makes the participants talk about things that might otherwise be left out of the discussion. (Alasuutari 2011.)

In addition to the recorded material, the researcher made side notes of the group interview based on observations.

4.2 Data collection

First, a literature review was conducted in order to build a strong theoretical framework around the main topics. Based on the theory, the structure of the interview was outlined. Next, the target organization was specified and key individuals contacted. Information on the interview was sent to participants by email together with a recommendation letter (appendix A) from the study supervisor, Professor Tero Vartiainen.

The empirical part of the study consists of material gathered through a semi-structured interview. The outline of the interview was semi-formal and it had both structured and unstructured elements. The interview was held on 5th of April 2017 at the organization’s premises in Helsinki, Finland.

As the subject of the study extends on two distinctive areas of expertise, deciding who to interview was to be done carefully. Given the scope of IT projects, it was considered best to concentrate on IT companies and companies that work mainly with IT projects. However, as the emphasis of this study is on HPWPs’ effect on RPM, interviewing project managers alone was not ideal. Thus it was decided that in addition to project managers, also their line manager as well as an HR professional would be included in the interview.
Additionally, it was decided that the most interesting findings would arise if the interview was done as a case study. One organization was chosen and all participants were picked from that organization. The participants included one HR professional, one line manager and two project managers. Interviewing the participants was done as a rather informal group interview where the participants were free to brainstorm on the given topics.

First, a short introduction on the topic was given to the participants and the outline of the interview explained. Then participants spent approximately 45 minutes brainstorming on the topic. The list of nine HPWP categories was available throughout the session and the discussion was based on the given categories. The discussion was divided in three parts:

1. Which HR practices could be used to prevent RPM?
2. Which HR practices could be used to manage RPM?
3. Which HR practices could be used to sort out RPM?

Time spent on each part was approximately 15 minutes. The researcher remained as an observer writing down key points and only participating in the conversation when guidance or clarifications were needed.

At the end of the session a short conclusion was made. The discussion was recorded so that it could be reviewed later. Total length of the recording was 57 minutes and six seconds. The recording and notes were transcribed in detail after the interview.

4.3 Data analysis

According to Saldaña (2011: 90), the purpose of (qualitative) data analysis is to describe to others what has been observed and discovered about the researched phenomenon. Saldaña lists several methods for analyzing qualitative data: coding, analytic memos, themeing the data, developing concepts and theory construction to name a few. He also mentions that the data collection and design of qualitative research is often an
evolutionary process, which means that analyzing data happens not only after but also throughout the collection phase.

In this study the gathered data is primarily in the form of interview recordings and observer notes. An important part of the data analysis happened during the formal write-up of the study: the documentation process included transcribing the interview and the fieldnotes. For further reorganizing and reflecting on the gathered data the following steps were taken:

1. Reviewing the documentation
2. Making preliminary notations
3. Forming patterns and categories
4. Finding dependencies and interplay

The process of analyzing the collected data got a useful framework from the three different parts of the interview. Data was analysed according to the three parts and each part was analysed separately. At the end, dependencies and interplay between the parts was analysed.

4.4 Research quality and ethics

In quantitative research constructs such as reliability and validity are often used. In qualitative research, factors like credibility and trustworthiness are more appropriate when analyzing the data and presenting the findings. Credibility refers to being convincing in throughout the research. Establishing credibility can be ensured through appropriate citing, specifying the implemented data analysis methods, relevant and specific evidence such as direct quotations et cetera. Trustworthiness can be achieved when informing the reader of the research process in an upfront manner. (Saldaña 2011: 134–136.)

In this study the frameworks, focus and methods are described in as much detail as possible and viable. Especially the research process is explained step by step so that the
reader gets a sense of understanding and trust. Another focus is on the correct use of citations throughout the study. This way credibility could be ensured.

Ethical issues to consider when designing the research might include questions on how not to subject the research population to embarrassment or material disadvantage, whether to collect data from a non-consented research population and challenges of collecting data through observing (Saunders et al. 2007). In this study the research population was very limited and as the participants were interviewed face to face, every individual was aware of the research and its focus. Before the group discussion it was made clear that no names or other identifying characteristics should be used in order to guarantee the anonymity of people.
5 ANALYSIS AND RESULTS

This chapter focuses on the analysis of the gathered data. The aim is to provide practical examples from the field on how RPM situations are handled in a real life setting. Conclusions on the phenomenon are made based on the interview comments and expressions that seem most significant.

Direct citations are used within the text to clarify and justify the significances and consequences drawn from the interview material. As the interview was held in Finnish, all citations have been translated into English by the researcher. Citations are written with italics and have one centimetre indentation from left.

In this chapter the results are introduced and analysed. First, details and phases of the analysis are introduced and basic information on participants given. The actual results are grouped into three categories according to the research question. The last part provides conclusions on the researched phenomenon based on the interview.

5.1 Phases of the analysis

Before starting the data analysis, the interview material needed to be transformed into a file that was easy to analyse. The group interview was recorded and thus it was thought best to transcribe the interview, which was done almost word to word. It was decided unnecessary to write down repetitions and expletives. As nonverbal communication was not of importance for the research, it was left out of the transcript.

In addition to the interview transcript, data was collected from fieldnotes that were also properly documented. Anonymity of the participants was ensured by not using names or other tags anywhere in the transcripts.

After transcribing the interview, the analysis could begin. The first phase was to read through the transcripts several times in order to gain a certain level of familiarity with the content and to form initial patterns or connections. Underscoring was used as a tool
to note down comments related to the research question. Significant expressions related to the phenomenon were also highlighted.

Next, connections between the highlighted expressions and comments were drafted. This was done in order to form groups or categories from individual but meaningful expressions. These expressions were mirrored with the research question. Categorizing the expressions was done with the help of the research question and its three parts:

1. Which HPWPs could be used to prevent RPM?
2. Which HPWPs could be used to handle RPM?
3. Which HPWPs could be used to sort out RPM?

In this way, the expressions and comments were grouped into three categories based on their similarities and differences. Categorizing formed the third part of the analysis. While grouping the expressions, individual expressions or groups of expressions were also changed into simple sentences in order to clarify the content and turn the informal expressions into understandable presumptions. These presumptions form sub-categories for each of the three topics. For example:

\[
I \text{ consider important that the project manager has support from elsewhere in the organization so that they are not alone.}
\]

Project managers need to have organization-wide, reliable sources for support.

Each of the three categories consists of several presumptions. Presumptions are supported by direct citations from the interview. There is also a short summary paragraph for each presumption to outline the content and to wrap up the conclusions. All together 12 presumptions were made based on the interview material. In the last chapter, dependencies and interplay between the three parts is then described.

5.2 Introduction of participants

The target organization is a Finnish subsidiary of a large multinational IT sector company. Majority of their projects are IT related so they fit the profile perfectly. The
large organization has a lot of knowledge and know-how on both project management and HR.

There were all together four participants in the interview in addition to the researcher. All four are working in the same organization but represent different sections and positions. In this way it was be ensured that an all-round, diverse pool of comments, opinions and experiences could be gathered.

One participant represented the HR department. Three others were from the project management department but from different positions: two project managers were present as well as one line manager of project managers. The project management participants have been involved in many different types of projects and have a good overview on the day-to-day operations as well as success stories and needed improvements.

There were both male and female participants in the interview. The age group was wide and career paths of participants diverse. One participant had been in the organization for about one year, when another had been there for over 20 years. All participants mirrored the interview topics on their personal experiences as professionals and provided multiple real life examples and suggestions.

5.3 Human resource practices and preventing RPM

The first and longest part of the interview focused on preventing RPM in the organization. Discussion on this topic lasted for over 20 minutes and comments ranged from how to ensure project managers’ wellbeing to how the relationship between project management and HR departments had changed over the years. Discussion on preventing RPM seemed most interesting for participants and the conversation flowed back to this topic even during other parts of the interview.
During the interview the researcher marked down direct and indirect links to HPWPs made by participants. In the first part of the interview the following HPWP categories came up:

![Figure 3. HPWP categories as mentioned in the first part of the interview.](image)

As can be seen in Figure 2, all except one HPWP category were directly or indirectly referred to during the first part of the interview. This is interesting as from an organization’s point of view it would be ideal if RPM situations could be prevented altogether. That is why comments from the first part of the interview are especially interesting.

Next, the emerging presumptions are introduced through examples.

5.3.1 Project managers need organization-wide support

Based on the below comments it was concluded that there is a need for a stronger support network for project managers within the organization.

*I consider important that the project manager has support from elsewhere in the organization so that they are not alone.*
The support of the internal steering group needs to be steady and reliable. When workloads increase, more positive support is needed instead of accusing.

The steering group should be better at recognising possible issues and provide support for the project manager in a calm way.

HR could arrange training for the steering group and service managers on how to recognise and fix issues with project managers.

It came up in several comments that often project managers feel unsupported and alone with the challenges of the project. Support is needed not only from line managers but also from other facets within the organization. Examples of these were the project steering group and service managers.

It was also noted that HR could play a more visible role in enabling the support structures and arranging training for different parties. These things can be seen as part of the following HPWP categories: Job and work design, Training and development, Employee relations and Communication.

5.3.2 Too much HR work is accumulated on line managers

It came up in several comments during the interview that line managers deal with a lot of practical HR work but do not get appropriate support to handle it.

A lot of responsibility of HR work is left for line managers.

HR could have a bigger role in monitoring how project managers are coping.

From line managers’ point of view HR is the kind of facet that provides consultation help or tips and instructions. But I don’t see them coming into the situation and providing practical help.

HR is not involved in any way in our annual questionnaires even though many times some human resource management things come up. It would be easier for line managers if HR supported them with these questionnaires as the aftermath has a lot to do with dissatisfaction and improvement issues.

Line managers do not necessarily have enough time to keep track on project managers that might want to leave.

I have had line managers with whom I have not even wanted to discuss. How could HR provide support in these situations and how to inform HR about these?
A lot of material for line managers on HR issues is available but there is quite little of going through the situation together and providing support.

More control from HR side is needed to ensure that people are doing well at work, and this support should be more visible. This task should not be left to line managers alone.

One way to recognise issues early on could be workloads. If there is a continuous peak in the workload compared to normal working hours, it might be a clear indicator.

A topic that provoked many thoughts and comments was the support for line managers from HR, or the lack of it. A lot of practical HR work is left for line managers and especially in challenging situations line managers find it difficult to cope with. A more hands-on, practical approach is needed so that line managers can trust that they are supported in HR issues. Instructions and materials are available but many times they are not enough when a situation arises, or support is only provided when things have already escalated too far. When it comes to preventing RPM situations, this is a crucial point to consider.

5.3.3 Project managers need training and knowledge-sharing

An expected conclusion from the interview was that project managers would like to have more training and support for their every day work.

When I started as a project manager we had a project manager academy that I thought was very good. I have received feedback that for example project plans of those project managers that went through the academy are in a completely different level than of those who have not. This could be one pointer for HR to consider.

Every few weeks we have an internal project managers’ meeting where we share experiences. That is a very good opportunity to exchange experiential knowledge. Making these meetings official and supporting this type of a system would significantly help in exchanging that internal information.

It would be good if project management was done in pairs or small groups so that everyone would know a little about other projects. At the moment it is an internal risk in this organization that every individual is an island.

It would be good to have training for project managers on what to expect.
As expected, training and development came up in the discussion. Heavy workload, unrealistic expectations and difficult customers easily lead to a burnout. Training, early intervention and sharing experiential knowledge could be key factors in preventing RPM. Re-introducing the project manager academy and supporting an official knowledge-sharing platform are two practical steps that HR could take.

5.3.4 Project material needs to be formally documented

It also came up that documentation of the project material needs to be impeccable.

One practical thing is the documentation of each project manager. Documents should not be stored in personal emails or hard drives.

We have a lot of experience in the organization, but formally documenting it in lessons learned type of a way is not done enough. This is one thing that would help project managers. HR could catch this topic and think what would be a way to do this that is not too bureaucratic or demand too much extra work from project managers.

A seemingly simple thing in ensuring project continuity and facilitating project management is to make sure all project related material is formally and appropriately documented. Some support from the HR department is needed to build a way to do this in a user-friendly and time-saving manner.

5.3.5 HR department is too distant

Somewhat surprisingly it was pointed out that the HR department is seen as quite distant within the project management department.

HR is very distant from project managers’ every day work.

We no longer have a named HR contact person so there is no long-term contact that would know the background.

HR could be a part of ensuring that the sales department works according to agreed processes. Otherwise the scope of the project can become unclear and that might lead to project managers’ burnout.

Another thing is workload assessments; they can be in complete contradiction with reality.
At the moment I see HR as very disconnected. A while ago we had problems with HR when going through overtime issues. Many of our project managers are on the defensive side when it comes to HR.

Maybe HR should participate in some project management meetings. That might increase understanding between project management and HR in a way that HR would better see the practical work and where challenges are.

As came up in the discussion on line managers’ relationship with the HR department, it was again pointed out that HR is seen as very distant from project managers every day work and quite inactive in daily operations. A recent organizational change resulted in removing named HR contact persons so now there is no long-term contact that would know the background of the team. The project management team sees HR as faceless and feel that they only emerge when problems have already come up. In order to avoid RPM, HR could take a more active role in being “on the field” and available.

Another thing that came up was the HR department’s role in guiding other teams. It was pointed out that if other teams do not work according to agreed processes, this might result in unclear project scope which then makes the project manager’s work much more difficult. Similar instructions and support for all teams is needed in order to guarantee seamless co-operation between departments.

5.3.6 Current compensation models are dysfunctional

The following comments showcase that project managers are unsatisfied with the organization’s current compensation models.

At the moment it doesn’t matter whether you complete a project well or badly, there are some reward mechanisms but nothing concrete.

Earlier the compensation was tied to the project’s erosion, unit revenue, group profit and so on. These measures were concrete and inspired to strive.

They say that a project manager is the project’s CEO but then you do not get anything from it. Now it is only in project managers’ professional pride whether they want to push a bit more without gaining anything.

Project manager has the responsibility over everything but then others collect the benefits and profits.
A clear discontentment came up when the discussion moved to compensation and benefits. Project managers experience current compensation models insufficient in comparison to earlier ones. This can obviously lead to RPM situations as dissatisfied project managers leave the organization if they get a better offer from somewhere else. As HR is in charge of the organization’s compensation models and benefit systems, this is a clear indicator for them to re-think this matter.

5.4 Human resource practices and managing RPM

The second part of the interview concentrated on means to manage the RPM situation in the organization. Discussion on this topic lasted for 15 minutes and mainly focused on communication challenges and the need for more HR support for line managers.

In the second part of the interview the following HPWP categories came up:

![HPWP categories as mentioned in the second part of the interview.](image)

Figure 4: HPWP categories as mentioned in the second part of the interview.

Next, the emerging presumptions are introduced through examples.
5.4.1 Co-operation between HR and line managers is poor

Many comments showed that both project managers and their line managers think that co-operation between the HR department and project management department should be improved.

*Getting a recruitment permit takes very long. Being able to receive quick help is considered challenging. I would hope for a faster chance to react.*

*One thing related to exit management is that I would hope for some feedback from HR when someone leaves the organization. There is an exit interview that a person fills before leaving but line managers do not receive it, instead it goes directly to HR. If someone specifically lists down reasons for problems then HR could bring that information to line managers.*

*HR should be more visible in things related to project management support systems.*

*The line manager needs to find the best available replacement to move the project to and to make things match. Behind this are the person’s own interests, workload, knowledge, experience and also the customer’s demands.*

*Whenever there is a change situation HR is very strongly present. HR controls in many ways what happens next, when to take the next step and so on. There is the whole recruitment permit process, aptitude tests, employment contract. This is all HR.*

*How the background work has been done affects how the new recruit will handle the task.*

*HR presence should be continuous rather than just being there when issues arise.*

*When the customer is challenging, it makes the new recruitment and line managers’ work difficult as persuading people to work in the project becomes hard.*

*It would be good if HR participated in project management meetings once a month to hear how things are going.*

Line managers experience the HR department’s reaction speed inadequate in an RPM situation. Bureaucratic processes for recruitment permits are stiff and can significantly delay project progression as finding new project managers takes very long.

Support for line managers should also be provided during the recruitment process. At the moment HR takes care of most recruitment related practical matters, but the
background work related to person-organization fit and person-job fit is left to line managers. As pointed out, this can heavily affect how the new recruit copes with their tasks.

Additionally, more seamless communication is needed between HR and line managers. In an exit situation line managers do not necessarily get to know the reasons why the person decided to leave. Sharing this information would probably increase the chances to prevent similar RPM cases in the future.

5.4.2 Current workload optimization model is dysfunctional

In addition to compensation models, also current workload optimization models of the organization are experienced as dysfunctional.

*Optimizing workloads is a challenge. Baseline is that everyone has a sufficient, steady and continuous workload. Then when someone leaves when everyone else is busy, it requires re-organizing and prioritizing.*

*One challenge in a change situation is where to enter the time. Projects have been budgeted a certain amount of project management. Then when RPM occurs, of course more time goes to management as the new PM needs to be familiarized and so on. Here a connection to HR might be good, considering workload targets.*

*Especially if the PM is assessed based on how much of billable customer work there is, if RPM occurs, the PM’s statistics decrease compared to others and that might show as poor performance.*

*In an RPM situation a certain amount of time should be allocated to familiarization.*

*Some discussion with HR is needed to determine how to record time for familiarization and how to take that time into account.*

*It could also be good that to begin with every PM has an obligatory time allocation to self study or familiarization.*

Workload optimization is difficult when RPM situations arise. Possible RPM situations are not considered when time is allocated for management of projects. This might result in seemingly poor performance by the old or new project manager, when in fact time has gone to handover or familiarization. As they have the required know-how, HR could
help in adjusting workload targets and planning new ways to allocate time for different activities. This also links to Training and development since that area is in spotlight during RPM.

5.4.3 Time constraints create limitations for smooth transfer

As with most challenging work situations, time seems to be the main enemy for success. The below comments provide examples of how this shows in RPM situations.

Sudden situations are challenging. Line managers have to find people from somewhere and the question is where to get resources.

It would help if notice periods could be extended. In the worst case scenario two weeks is very less. If a project manager gives notice then finding a new person in two weeks, considering these challenges is tough.

One issue is the time that the familiarization takes. It can easily take one or two months to get in to the new project and in that time a lot can happen.

The participants recognized that RPM might be planned and controlled, or sudden and surprising. An example of the first would be when a project manager retires and their projects are divided to others. An example of the latter is when a project manager falls sick or gives notice to leave the organization. Especially in sudden RPM situations, time constraints can significantly complicate the knowledge transfer between project managers. Even more importantly, quickly finding a replacement can be very difficult.

Measures that can be taken within the HR department are few and far between, but some suggestions were: lengthening notice periods, reacting faster to recruitment requests and support in re-prioritising time allocations.

5.4.4 Co-operation between old and new project managers is crucial

Another expected outcome from the interview was that in an RPM situation the most important factor that predicts a successful transfer is co-operation between project managers.
It all comes down to the communication between the old and new project manager. What the old project manager tells and the new one asks and gathers information.

**Knowledge transfer between project managers is the most important thing in this situation.**

A controlled transfer is challenging because there is so much of tacit knowledge about the dynamics of the project, who to contact and so on, and that is very difficult to transfer and document.

The most important things when taking over another project manager’s work is that a) the old PM is available and to get all possible knowledge and documentation, and b) contact with the customer’s service manager. The next thing is that who are working on the project, so that they are reserved for that project and they are available.

The most important thing is that the project documentation is in a good shape at all times and that the old project manager can quickly tell where the materials are. And someone else from the project group should also know about the materials.

The carrying theme throughout the second part of the interview was the importance of communication. Whenever RPM occurs, it is extremely crucial that the old and new project manager get together and share documentation and knowledge. The trickiest task is passing on tacit knowledge, especially in a sudden RPM situation.

Another communication pitfall is arranging contact between all relevant parties: project manager, customer, service managers, sales department and so on. Communication with the project team is also important. The new project manager needs to know who are reserved for the project and be able to contact them. Ideally there would be someone else in addition to the old project manager that would be aware of the project materials.

5.5 Human resource practices and sorting out RPM

The third and final part of the interview focused on the aftermath on an RPM situation in the organization. Discussion on the last topic lasted for 11 minutes and central points were communication and co-operation with customers as well as continuous support for
project managers. As a topic, sorting our RPM did not create as much discussion as the other two parts, but some interesting points were presented.

In the third part of the interview the following HPWP categories came up:

![Figure 5. HPWP categories as mentioned in the third part of the interview.]

Next, the emerging presumptions are introduced through examples.

5.5.1 Co-operation between customers, project management and HR is vital

The following comments provide information on the current state of co-operation between different departments in the organization.

*It is important that after RPM the situation can be reviewed together with the customer.*

*The support from the internal steering group is especially important if RPM has originated from the customer. In some cases the customers can be so difficult that the same project goes through RPM several times.*

*In the most difficult cases HR could participate in the customer meetings.*
Again, communication was pointed as the most important factor affecting how RPM situations are handled. It was seen as good practice that after RPM the situation would be reviewed with the customer, not just internally. Also, when RPM has originated from the customer, a stronger HR presence could be useful to clear the air and sort out the situation.

5.5.2 New project managers need continuous support

In line with the comments made in first part of the interview, it was pointed out that project managers need support after an RPM situation as well.

*I see important after RPM that the new project manager has people with whom to go through the project and bring up worries and together look at options.*

*We go through finished projects and have final project reports and lessons learned. But the question is when a person starts after one year, where to find all that material.*

Project managers’ personal experiences revealed that continuous support is important for the new project manager taking over a project. In addition to accessing all relevant documentation and communicating with others about the project, project managers also need people with whom to review the project with.

Bringing up worries and going through different options while mirroring these to possible lessons learned type of reports could be useful in ensuring a seamless and faster continuation for the project. HR could maintain a list of mentors and partner new project managers with them when needed.

5.5.3 Customer feedback is valuable

In addition to having an open and honest communication chain within the organization, project managers also pointed out that both positive and constructive feedback from the customer side is useful and appreciated.
We have a customer satisfaction questionnaire where the comments usually show whether RPM has been experienced as good or bad. This is one way to identify the customer’s reaction.

One thing that motivates is that when there is positive feedback from customer, it is noted.

Feedback comes up in our meetings but HR does not get to know.

It would be good if HR participated in project management meetings since current worries and issues come up there, as well as successes.

While majority of the comments during the interview brought up negative experiences and constructive criticism, it also came up that some things related to RPM situation are going well. Customer feedback is considered extremely valuable and the good thing is that it is available to project managers. The success of RPM situations is often estimated through customer satisfaction.

The criticism here is that often the good feedback does not reach the HR department, although project managers would find it justifiable to be rewarded for a job especially well done. Here the emphasis is on communication and following that, on compensation and benefits structures.

5.6 Conclusions

The interview provided a lot of useful information on how RPM situations are handled in the organization and how HR is involved in them. Here the main conclusions drawn from the data are presented. Majority of the conclusions include some improvement ideas or constructive feedback. Conclusions are specific to the case organization but generalisation of the results might be possible in other organizations as well.

Generally the project management side of the organization sees HR as very distant and inactive. At the moment the feeling is that HR only gets involved when issues have already come up and the situation escalated too far. A heavier investment in the issue prevention function of the HR department is called for. This would improve the impression that the project management side has of the HR department and probably
enhance the co-operation between these departments. It might also result in fewer RPM situations and ultimately savings.

In many occasions it all comes down to the importance of communication. There is room for development in communication between different parties: line managers, HR, project managers, other departments and customer representatives. Different RPM situations pose different communication challenges. Some communication guidelines for different RPM situations could be drafted for the future.

Preventing RPM requires a constant communication flow between line managers and project managers. Project managers should also have channels to bring up issues or worries directly to HR in case their relationship with the line manager is not good. Also communication within the project team should be intact: it would be ideal if other team members in addition to the project manager would also be aware of project management details. Also, line managers need further support in HR issues from the HR department. It came up that an email address is not enough and a permanent contact person from the HR side is needed.

In a situation where an RPM situation is on, it is extremely vital that the old and new project manager get together and update each other on the project details as well as possible. For this scenario some systems or tools can be created to facilitate knowledge transfer. During RPM it is also important that the customer is updated on the situation and possible delays. Line managers need to be aware of workflows and workloads and effectively communicate these to the HR department.

After RPM, communication is still in the spotlight when ensuring that the project can continue smoothly. In the aftermath of complicated RPM cases it is often forgotten to go back to the reasons why it occurred in the first place. Here it would be important for the HR department to pass on relevant information to line managers on the reasons why the project manager decided to leave the organization or why the customer wanted to replace the project manager.
It is also essential that the new project manager has people around with who to review the project, share knowledge and bring up issues. The support network for project managers needs to be constant through all the phases of the project and possibly RPM situation. Additionally important is that good customer feedback is passed on to project managers and also shared with the HR department.

From the project manager point of view, it was noted that depending on the reason why RPM occurs, there is a big difference in how much the project manager can influence the change of project manager and how the change goes altogether. For example cases where the original project manager falls sick are very surprising and sudden and in that scenario RPM is less controlled. Then again if the project manager leaves the organization due to retirement there is more control and in that situation HR is also involved from early on.
6 DISCUSSION

6.1 Summary of the study

The focus of this study was to present how high performance work practices can be used to prevent, manage or sort out the replacement of project manager in IT projects. The idea behind the emphasis of this study was that the two well known fields of strategic HR and project management can be combined to mitigate the negative impacts of the common but less researched phenomenon of RPM.

Answers to the research question were sought through a semi-structured group interview that was conducted with HR and project management professionals in a large Finnish IT sector organization. The aim was to find out whether HPWPs are already used in the context of RPM. With an extensive literature review as the backbone, the interview was used to gather empirical data on the phenomenon. This study shows how, through the use of HPWPs, RPM could be prevented, managed or sorted out. The gathered data provides real life examples and suggests ways to deal with different scenarios related to RPM.

As both the research question and interview were divided in three parts, results are also three-fold. When discussing how RPM could be prevented in the organization, several points came up related to the co-operation between HR and project management departments. The following presumptions were made:

1. Project managers need organization-wide support
2. Too much HR work is accumulated on line managers
3. Project managers need training and knowledge-sharing
4. Project material needs to be formally documented
5. HR department is too distant
6. Current compensation models are dysfunctional
In the second part of the interview the discussion focused on a situation where RPM is on. The participants had several examples of the scenario and provided a number of comments on how RPM situation should be handled. The following presumptions were made:

1. Co-operation between HR and line managers is inefficient
2. Current workload optimization model is dysfunctional
3. Time constraints create limitations for smooth transfer
4. Co-operation between old and new project managers is crucial

Finally in the third part of the interview the focus was on the aftermath of RPM. This part generated the least discussion but nevertheless it was agreed that a successful handling of an RPM situation could provide valuable tips for the future. The following presumptions were made:

1. Co-operation between customers, project management and HR is vital
2. New project managers need continuous support
3. Customer feedback is valuable

All together all three parts of the interview went well and the gathered data proved useful and relevant. The presumptions that were made based on the discussion lead way to recommendation for both the organization in question and future research. Also other organizations that are experiencing difficulties with RPM situations could benefit from the recommendations and conclusions of this study.

6.2 Recommendations

Based on the interview material some recommended practical steps for the target organization came up. In order to better prevent future RPM situations, the following points could be considered:

- Re-introducing the project manager academy
- Enabling support structures and arranging training for different parties
• Providing a more practical approach for supporting line managers
• Supporting an official knowledge-sharing platform for project managers
• Building a user-friendly and time-saving way to document material
• Re-thinking the organization’s project related compensation models

Most of the recommendations are for the HR department. They need to initiate the changes but most likely the execution of the steps could be done in co-operation with project management teams.

It was considered important to pay attention to the following factors during an RPM situation to ensure a smooth transfer between project managers:

• Providing quick HR support for line managers during the recruitment process
• Ensuring seamless and open communication between HR and line managers
• HR could help in adjusting workload targets and planning new ways to allocate time
• Lengthening notice periods
• Creating new communication tools for knowledge-sharing

Some of these recommendations are more easily executed and more practical than others. For example shortening the response times to HR enquires is quite straightforward, but improving communication and creating communication tools requires a lot of background work.

After RPM has occurred, these healing or recovering actions could be taken to guarantee a safe continuation of the project:

• Providing stronger HR presence in customer meetings
• Creating a list of mentors to provide conversational support for new project managers
• Communicating good customer feedback to the HR department

Here the two first actions are again directed to the HR department. The last one is for the project management department: they should ensure that positive customer feedback
finds its way to the HR department. After that the ball is at their end and the resulting actions could mirror back to the discussion on compensation models.

6.3 Future research

As both RPM alone and the combination of HRM and RPM are still less researched phenomena, interesting paths for future research are plenty. A larger study could be executed in order to find out if different organizations have similar experiences of RPM and HR to the ones introduced in this study. This could be an interview or a questionnaire depending on the number of the target organizations.

A more HR-oriented study could also be taken on to gain more insight from within the HR department. The take on RPM situations might be quite different from the HR department’s point of view as compared to the project management department. Another way to approach this topic would be to look into non-IT projects and see if similar challenges are faced there. A comparison study in an organization that has both IT and non-IT projects might provide a lot of interesting data.

It would also be interesting to have a follow-up interview with the case company of this study after some time to find out whether any changes have been made to respond to the issues that came up during the first interview. It might turn out that everything has stayed the same, but the ideal situation would be that participants took ideas from the interview back to their departments and made some improvements.

6.4 Limitations

As the research was conducted as a group interview in one case organization, it is obvious that the results are only applicable to that organization. Other organizations might have different experiences and comments about the topic and thus generalisation of the results is not straightforward.
The number or participants was also rather small so some viewpoints might have been missed altogether. Another factor possibly restricting the scope of the research findings was that the pool of interview participants was limited to project management and HR professionals. Interviewing other related parties for example from the sales department or from the customer organization might have brought more insight to the conclusions.

Considering the limitations noted above it can be stated that the research findings are still valid, relevant and useful within the scope of the case organization. In order to generalise the results to other organizations some more work is needed to ensure that the extension of the results is justifiable.
 SOURCES


Loufrani-Fedida, Sabrina & S. Missonier (2015). The project manager cannot be a hero anymore! Understanding critical competencies in project-based organizations


Teknillinen tiedekunta
Tieto- ja tietoliikennetekniikan yksikkö

PROJEKTIPÄÄLLIKÖN VAIHTUVUUS IT-PROJEKTEISSA - TULOSHAKUISET HENKILÖSTÖKÄYTÄNNÖT

Tutkimuksen kohteenä on projektipäällikkön vahtuminen kesken projektit ja erityisesti kuinka tuloshakuisen henkilöstökäytäntöjen avulla voidaan elkaista, kallista tai selvittää tilanteen tilanne.

Strategisen HR on tärkeä osa organisaation suuntauskyvyn parantamisessa, ja oletettavasti vaikutta merkittävästi onnistumiseen myös projektialalla. Projektipäällikö on ratkaisu myös projektin menestyksessä, mikä vuoksi on tärkeää analysoida mika voi johtaa projektipäällikkön vahtumiseen kesken projektit ja mika vaikutus tällä on projektin onnistumisen kannalta. Tämä tutkimuksen tarkoituksena on tutkia miten yhdistämällä strategisen HR ja projektinhallinta voidaan lisentää vahtuvuuden negatiivisia vaikutuksia ja mahdollisesti jopa ennaltatarkastaa projektipäällikkön vahtumista kesken projektit.

Sita Smolander tekee pro gradu -tutkelmansa aiheesta ja koostaa tutkimuksen aineistoa asiantuntijalle suunnattuun kyselyyn ja/tai haastatteluun. Hän on motivoinut ja hyvin valmistautunut ja osallistumisen tutkimukseen auttisi sekä häntä että koko tutkimusohjelmaa merkittävästi.

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APPENDIX 2. HPWP categories and Finnish translations (Posthuma et al. 2013)

1. Compensation and Benefits - Hyvitys ja edut
2. Job and Work Design - Työn suunnittelu
3. Training and Development - Koulutus ja kehitys
4. Recruiting and Selection - Rekrytointi ja valinta
5. Employee Relations - Työntekijäsuhteet
6. Communication - Viestintä
7. Performance Management and Appraisal - Suorituskyvyn johtaminen ja arviointi
8. Promotions - Ylennykset
9. Turnover, Retention and Exit Management - Vaihtuvuus, pysyvyys ja lähtevien johtaminen