

Human Capital Development via Management by Projects

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The article presents a brief characteristics of the main ways of human capital development and shows the concept of management by projects (MBP) as a tool for this development. The author based the article on her analysis of specialist literature in the area of management and pedagogy as well as the results of interviews conducted with members of the project teams from a clothing industry company. It was found that the implementation of MBP has a direct impact on the sphere of employee trainings and promotion. Consequently, MBP has an influence not only on the development of human capital components such as knowledge and skills, but also on the motivation.

Keywords: human capital, development, training, promotion, management by projects.

Introduction

Many organizations today implement the idea of management by projects (MBP), consisting in appointing of task teams for implementation of unique undertakings and using of specialist project management tools. This trend is conditioned by variable environment implying the necessity to introduce both internal changes and changes in the offer of the company and the manner of presentation thereof in the market. Thanks to the use of the indicated idea, the introduction of changes is done in a structured and, to a degree, standardized way.

Simultaneously, knowledge, abilities, skills, experience, or broadly understood human capital, are becoming the most important factor of competitiveness of a company (Edvinsson, 2001, p. 34). One cannot forget about an important element of this capital, without which the other ones would not be appropriately utilized. This element is motivation. Moreover, it is justified to say that a company which wants to develop dynamically should care about its employees. Such

care, and simultaneously the so-called orientation to human capital, reveals itself, among others, in creation of a personnel management system aimed at strengthening the collaboration and cooperation of employees and to invest in an employee's development (Sułkowski, 2005, p. 48). Investment in the development is returned in two ways. On the one hand, there is an increase in performance of an individual and of teams. On the other hand, the motivation of employees, and even the loyalty (attachment to the employer) of people who are enabled to fulfill their need of self-fulfillment, increases as well.

The goal of this article is to provide a short characteristic of the major ways of human capital development, and, against this background, to present the idea of management by project as a tool serving this development. Emphasis has been put on implementation of MBP in organizations oriented to operative (repeated) actions¹. This goal has been achieved using literature studies on management², pedagogy, as well as results of interviews conducted with members of project teams of a Polish clothing industry company.

1. Human potential development and its ways

As indicated in the introduction, the greatest "driving force" of contemporary enterprises is human capital. It is people who are the most valuable asset of an organization, though individual elements of their capital may undergo both positive and negative changes.

Development – according to an encyclopedic definition of the Polish Scientific Publishers (PWN) – is "every long-lasting process of directional changes, in which one can discern correctly subsequent stages of change of a given object; also, a process of directional changes, in course of which objects shift from simpler and less perfect forms or states to those more complex and perfect in a specific respect" [<http://encyklopedia.pwn.pl/haslo/4009883/rozwoj.html> (18.09.2013)]. Therefore, personnel development will be understood as a process in which employees supplement the elements of their human capital, necessary for appropriate fulfillment of current or future tasks. R.R. Sims (2006, p. 1)

¹ There are also organizations fully oriented to project implementation, where projects constitute the key business, e.g. consulting enterprises or software manufacturers. In such organizations, the content of everyday work stems from the goals of subsequent projects. Work in projects develops the employees. However, in view of a particular character of these organizations, the impact of MBP to employee development seems obvious.

² Literature studies included, in particular, publications on human resources management, team management, and project management.

connects the personnel development with such concepts as learning, efficiency and changes. As J.P. Wilson and A. Cattell (2005, pp. 111–131), correctly point out employee development is a foundation of the idea of knowledge management in an organization. In order to know in which direction the employees should be developed and whether the correct changes are made, it is necessary to make developmental decisions on the basis of assessment of individual elements of human capital³.

All elements of human capital, including motivation, may be subject to development. However, due to the space constraints of the text, the main emphasis will be put on the development of knowledge and skills. The literature on the subject presents various methods (ways, tools) of human capital development understood in such a way. H. Król (2006, p. 435) points out the five main ways of employee development, including: trainings, reallocations, restructuring of the performed work, health protection and promotion, career formation. The present article assumes, after A. Miś (2007, pp. 143–159), that the human capital development occurs principally in the process of trainings and employee promotions.

Beginning our discussion on trainings, it is worth noticing that a commonly accepted belief that intellectual abilities decrease over the following years of life is erroneous. Adults with an above-average intelligence quotient can efficiently develop their mental skills up to late old age (Turner, Helms, 1999, p. 54 et seq., from: Mikołajczyk, 2013). On the other hand, according to M.S. Knowles (Knowles, Holton III, Swanson, 2009, p. 182, from: Mikołajczyk, 2013) the main motivation for learning in adults is internal motivation. They value a possibility to solve e.g. life problems thanks to the acquired knowledge. Another important issue is the sense of internal benefits from the process of learning. The achievement of benefits in the form of an increase in a specific knowledge, skill or change of attitudes also depends on the training forms and methods of work with participants of the training⁴. These should be selected appropriately to the goal and object of the training. The attainments of pedagogy and its subdiscipline, andragogy, show that in order to increase the effectiveness of trainings (regardless of their goal and subject), one should do everything so that the training method could (Janowska, 2002, p. 144, from: Piwowar-Sulej, 2009, p. 110):

³ Personnel development must be integrated with other activities undertaken as a part of human resources management. A basis for making of other personnel decisions will be work assessment. See Blštáková (2010, pp. 79–90).

⁴ The literature on personnel management presents numerous training forms and methods. In view of the fact that they are discussed in detail in many publications, the author has resigned from characterizing them. For further reading, see e.g. (Bańka, 2001, pp. 148–151; Sims, 2006, pp. 114–116; Singh, 2008, pp. 47–49; Pawlak, 2011, pp. 266–288).

- a) create a possibility of activity,
- b) stimulate and facilitate learning,
- c) facilitate the transfer of the acquired knowledge and skills from the place of training into practice.

Today, attention of many management practitioners and theorists is focused on the subject matter of effectiveness of distant (e-learning) trainings⁵. Here it is worth emphasizing that pedagogues and psychologists consider close contact of humans with each other as the most effective element of knowledge transfer (Piwowar-Sulej, 2009, p. 111).

As pointed out earlier, the other way of human capital development under discussion is enabling promotion (formation of professional careers). In the traditional approach, a career is a sequence of positions held by an employee in a given organization. In modern times, the aspect of subjectivity of a person creating an own career is stressed (a career based on joining and departing from various social and professional relations (Fryczyńska, 2008, p. 135).

Among the employee promotion types distinguished in the literature, the following should be considered the main ones (see Pawlak, 2003, pp. 267–268):

- 1) manager (vertical) promotion, consisting in transfer of an employee up the position hierarchy,
- 2) qualification (expert, horizontal) promotion, consisting in transfer of an employee for a job requiring a higher level of knowledge and skills.

In order to make the employee promotion system actually fulfill the developmental goals, one should link the employer's interests with the plans, strivings and aspirations of employees within the so-called professional career management. A fact worth noting is that the contemporary young participants of the labour market – i.e. representatives of the Generation Y – are characterized by independence with regard to care about their own career (for further details, see Piwowar-Sulej, 2009a, pp. 193–196). For them, a career is connected with implementation of a personal development plan, not with position changes according to a standard path designed by the employer. E. Stanoch claims that the key factors determining low involvement of Generation Y employees include the expectation of large development possibilities (for further details, see Stanoch, 2010, pp. 74–75).

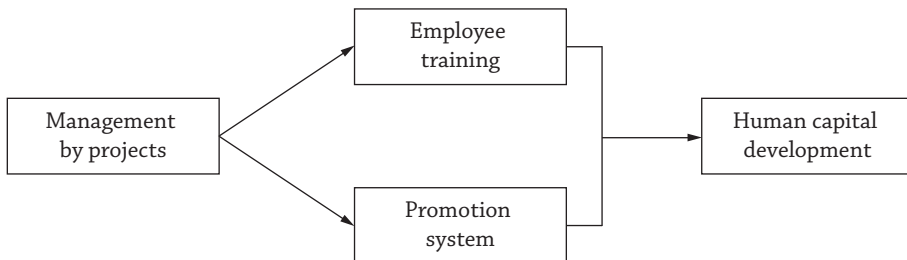
Therefore, what possibilities of employee development are created by implementation of the idea of MBP? The answer to this question will be given in the following parts of the article.

⁵ Further reading on e-learning: see e.g. (Holmes, Gardner, 2006; Zając, 2013; Armstrong, 2007, pp. 514–519).

2. The idea of management by projects as an answer to developmental needs of employees

One should observe that implementation of management by projects in an organization impacts the sphere of employee trainings and promotion. These spheres – as it has been stressed many times – are directly related to the human capital development. Thus, MBP influences the employee development, as shown in Figure 1.

Fig. 1. The character of the impact of management by projects on the development of the human capital of an organization



Source: own study.

Every project goes through the four project life cycle phases, namely: project definition (initiating), project planning and resourcing, project executing, as well as project closing (Westland, 2007, p. 3–5). As soon as at the first stage, not only goals regarding the quality of a final product but also specific changes in the human capital of the project team can be determined. At the second phase, team members meet and the group development, widely described in the literature, begins (for further reading, see Kozak, 2010). This includes forming, storming and norming. At the stage of storming, the needs of individuals, as well as their negotiation and leadership skills, are revealed. A group reaches the stage of performing as late as in the phase of project executing. Here is where the main actions intended to achieve the assumed goals of the project take place. This phase also provides many opportunities for mutual learning and observation of manners of action of individual team members. Such observation will serve as a basis for assessment and decision-making with regard to “location” of a given person in subsequent projects. It is worth stressing that the stage of performing does not always last until the completion of a project. In a long, complex project, when the scope of works or composition of a project team is subject to changes, there is again the stage of forming of a project team, “storm” in the team, etc.

Bearing in mind the area of employee trainings, one should note that the participation in a project is itself considered a training technique⁶. Results of research conducted by H. Ding, X. Ding (2008, pp. 456–471) also show that many tools used in project management may serve as pedagogical tools facilitating monitoring and evaluation of teamwork.

Today, projects based on an artificial simulation (e.g. building of a house of blocks, preparation of a mission to Mars), are typically used as a training method. Their main goal is to present how the effect of synergy, improvement of communication, or team integration is achieved thanks to actual cooperation. What is the “educational power” of real projects implemented in an organization? This is unquestionably learning through work. During project implementation, the conditions of an successful training, as characterized in the first part of the article, including transfer of the acquired knowledge and transfer of skills from the place of training into practice, are fulfilled.

Uniqueness, as a feature of projects, is connected with acquisition of constantly new knowledge and skills, not only technical ones. Project teams are usually interdisciplinary. Joint work with experts in various fields allows to broaden one’s intellectual horizons. Moreover, team work helps develop competences the team members did not show at the beginning of joint functioning (Katzenbach, Smith, 2001, p. 57). As stressed by R. Katzenbach and D.K. Smith (2001, p. 129), formal trainings (including simulations) can be helpful, but they are not always the best or only way to develop the skills needed in a team.

Participation in many project teams creates a chance to become better acquainted with the organization, to have more contacts with employees from other line cells. Contact with various people is an opportunity to receive feedback regarding one’s social competences and to gain more experience in interpersonal contacts.

Some projects also require additional specialist trainings without which a team could not effectively perform the set tasks.

Finally, an extremely valuable resource of knowledge in an organization where MBP has been implemented is knowledge based on experience from implementation of other projects. After completion of a project, a meeting should be held to analyze the causes of successes and failures and to consolidate the experience gained. Such meetings are known in the project management practice as “lessons learned” or “return of experience” (REX). Thanks to them, experience from projects can be further made available to following project teams in the organization,

⁶ One can distinguish such detailed training techniques as individual project work and participation in works of a project team. See (Drzewiecki, 2002, p. 37; Miś, 2007, p. 149).

and these, in turn, can use the created base of knowledge to find ready solutions to problems similar to those they encounter in the project (Wachowiak, Gregorczyk, Grucza, Ogonek, 2004, p. 102).

As indicated earlier, MBP also impacts the sphere of employee promotions. From the viewpoint of a project participant, a career may consist in:

- a) change of roles during a long project (during the project executing stage) ,
- b) performance of various, albeit equivalent roles in subsequent projects (see Piwowar-Sulej, 2012, p. 49),
- c) ascending the project career ladder (e.g. from assistant to project manager),
- d) performance of the same role but in various projects (small to large, less innovative to more innovative).

Therefore, it is justified to say that MBP increases the possibilities of formation of paths of professional career.

In many organizations, a person who wants to pursue the vertical project career is expected to have leadership skills and confirm his or her qualifications connected with project management or knowledge of project methodologies. For more than a decade, certification systems maintained by international institutions have functioned in order to confirm the competences of a project manager. Three kinds of certification paths are available today:

- a path leading to obtaining a Project Management Professional (PMP®) certificate, granted by the Project Management Institute (PMI),
- a path based on the possibility to obtain an IPMA (International Project Management Association) certificates connected with further levels of knowledge and experience in project management,
- a path based on the certificates of knowledge of the PRINCE2® methodology, granted by the APM (Association for Project Management).

It is worth mentioning that a person acting as a manager of a project involving experts or performers who are employees at a higher level of the organizational hierarchy (e.g. the line manager of this person) is exposed to some difficulties of emotional nature.

The implementation of the MBP idea increases the possibilities of development both in the organization and outside it. In the English-language literature, one can encounter a term of project-based career (Skilton, Bravo, 2008, p. 381), strictly connected with becoming a freelancer.

To illustrate the – mostly theoretical – discussions above on the impact of MBP on the human capital development, a case study was used of one of Polish nationwide clothing store chains, the employees of which are aware of the fact that their development takes place not only during formal trainings but also during work in projects.

3. Employee development through participation in projects – case study

The history of the company under analysis goes back to the 1990s. Currently, the territorial coverage of its retail chain, offering clothing for women, men and children, stretches outside Poland.

An event during which the chain employees can prove themselves, show other skills than at repeated work in their parent unit, is the opening of a new clothing store. Persons involved in such project are people employed in several other stores. The main actors of such undertaking are a group of people (consisting of specialists of various fields⁷) who begin from creation of a preliminary outline of the entire undertaking, and then introduce a group of employees of other stores (those located most closely) into the project. Therefore, the project involves a main project group and an extended group.

Project work has special significance for members of the latter. They can during the project execution stage acquire new knowledge and skills they have been unable to experience so far. Completely innovative problem-solving ideas, submitted by the personnel, are also desired. In the project, the employees often perform completely different tasks than in the routine work. For instance, someone who is a storekeeper and his primary task is security-tagging of items, can e.g. design elements of interior decoration or arrangement of commodities when working in the project. The situation is similar with shop assistants, typically occupied with customer service. They may submit suggestions of visual arrangement of the shop and become decorators. These employees develop in the project under supervision of specialists from the main project team.

During the project closing stage before the new personnel of a newly opened store acquires the appropriate competences and skills at work, a storekeeper with an above-average knowledge may temporarily operate a cash register and acquire new experience in customer service.

Thanks to participation in projects, employees broaden their previous skills and acquire new ones. They can prove themselves on other positions and, basing on this experience, undertake appropriate measures to obtain promotion. The employers obtain valuable information on the competences, predispositions, abilities and aspirations of their employees.

⁷ This group includes architects, decorators, or IT experts and is responsible with the project manager for project definition, planning and resourcing. The role of project manager is played usually by one of the area sales managers.

Conclusions

Due to the challenges of contemporary economy, even in enterprises dominated by repeated activity, interdisciplinary project teams are appointed, intended e.g. to introduce a new product into the offer or to implement organizational changes. Implementation of management by projects has an unquestionable developmental value for employees, impacting the sphere of trainings and professional careers.

As the article shows, participation in projects provides versatile possibilities of human capital development. These are changes occurring both in technical and social competences as a result of an education process taking place in the project. MBP broadens the possibilities of career formation, due to which employees also improve their skills. Both an opportunity to acquire new knowledge and skills during the work in a project and individualization of a career path increases an employee's motivation for activity, which is another element of human capital.

On the basis of the discussion above, other questions arise concerning the impact of MBP on the human capital development. One interesting issue seems to be a comparison of effectiveness of a project-based training technique with effectiveness of implementation of an actual project concerning achievement of specific effects with regard to changes in the human capital. This issue remains in the sphere of scholarly challenges.

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Резюме

Развитие человеческого капитала путем управления через проекты

В статье кратко охарактеризованы главные способы развития человеческого капитала и на этом фоне представлена идея управления через проекты (ZPP) как инструмента, способствующего этому развитию. При этом авторка изучила литературу по управлению и педагогике, а также воспользовалась результатами опросов, проведенных среди членов проектных коллективов предприятия швейного сектора.

Констатировано, что внедрение в организации управления через проекты оказывает прямое влияние на сферу подготовки и продвижения работников. Таким образом ZPP влияет не только на развитие таких составляющих человеческого капитала, как знания или умения, но также на мотивацию.

Ключевые слова: человеческий капитал, развитие, подготовка, продвижение, управление через проекты.

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