



## PROJECT IMPLEMENTATION IN ORGANISATIONS OF REPETITIVE ACTIVITIES

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### Abstract:

The study presents the implementation of projects in organisations that achieve business objectives through the implementation of repetitive actions. Projects in these organisations are, on the one hand, treated as marginal activities, while the results of these projects have significant impact on the delivery of main processes, e.g. through the introduction of new products. Human capital and solutions in this field bear impact on the success of projects in these organisations, which is not always conducive to smooth implementation of projects. Conflict results from the nature of a project, which is a one-time and temporary process, so organisational solutions are also temporary. It influences on attitudes and commitment of the project contractors. The paper identifies and analyses factors which affect the success of the projects.

**Key words:** project management, project organisation, human capital

### INTRODUCTION

The universe of economic organisations contains such units whose business goals are achieved through repetitive actions, by manufacturing and offering varying products. They are, for instance, car, furniture, or foodstuff producers, or service companies in the educational, medical or financial sectors. Another type of organisations is the one where goals are achieved through projects; these are for instance IT, construction, or shipbuilding enterprises. In such businesses, certain organisational solutions are found and the so-called project culture is adopted, which directs human capital into pro-project behaviour. They employ e.g. a variety of matrix-based organisational schemes. Different solutions to the issues within this scope are presented in the fundamental project management publication, the PMBOK® Guide [1].

The organisations in the first category, or such businesses whose goals are achieved through repetitive actions and processes, need to develop in order to stay on the market. Development is achieved through projects, so on the daily basis the organisations develop numerous projects, of varying scope and complexity. They are delivered:

- as additional activities, usually for the company's internal purposes, based on internal orders. The projects are related to issues that have major impact on the repetitive activities within the organisation; for example, new products and processes are introduced, new IT solutions are started, etc.,
- mainly with the use of the organisation's own human and material resources, sometimes with minor participation from the outside,
- more or less dependent on and at the same time parallel to the basic repetitive work of the organisation.

However, projects delivered in such organisations do not belong to the business category and they are treated as marginal activities, which is shown in Figure 1.



**Fig. 1 Organisation – a company with activities dedicated to repetitive processes and tasks, with project activity**

The fact that organisations' mode of operation does not prioritise project delivery causes a number of projects to meet difficulties, and their success causes doubts as to whether "this is actually what it was all about".

The issue of project delivery in organisations of this type can also be perceived from the viewpoint of the so-called project maturity. M. Juchniewicz defines it as "the ability of an organisation to select the project portfolio in a way which is efficient and corresponds to the strategy of the organisation and its goals, as well as the professional use of project management techniques, tools and methodologies that can lead to the successful conclusion of a project and allow to carry over the success into subsequent projects" [5]. However, subject literature focuses mainly on how to evaluate the successive levels of the organisation's maturity and the perfecting of the organisation itself in the aspect of project management receives much less attention.

As a consequence of 2011-2014 research in five organisations whose goals were reached through repetitive activity, organisational issues that bear major influence on the project delivery, and at the same time the project goals, have been identified. The basic aspects were considered to be the following:

- support of the management for the delivered projects,
- prioritising the current projects,
- organisational structures facilitating project delivery,
- project team that has adequate competences,
- problems with motivating the participants of a project,
- problems with implementing the results and assessing the success of concluded projects.

### **SUPPORT OF THE MANAGEMENT FOR THE DELIVERED PROJECTS**

As mentioned above, business goals of companies with dominating repetitive activity are achieved through e.g. mass production, so the main attention and activity of the management will be focused on this type of activity. Projects are required, because as a rule their outcomes result in the improvement of the company's activity, but the management does not concentrate on this type of activity, because its efficiency is measured against the outcome of the repetitive processes, which directly translate to the financial results of the organisation. During the analyses in the researched companies it was concluded that the upper management did not show major interest in the company's delivered projects. On the other hand, they showed much trust in project managers to achieve the assumed results. This confidence was most visible in a company where project managers could demonstrate certificates confirming their competences in a given project management method – in this case, the PRINCE2 methodology. Lack of interest of an organisations' management in delivering projects is discordant with the guidelines of the PRINCE2 methodology, which involves the company management in the so-called "project-steering committee" [7].

### **PRIORITISING THE CURRENT PROJECTS**

In an economic organisation working with repetitive processes, as a rule a number of projects are being delivered parallel (cf. Figure 1) and may have similar or divergent goals – for example, at the same time a project on introducing a new product to the market and an implementation of a new IT solution supporting the financial processes can be conducted. At the same time, a certification for a specific quality norm can be undergoing, delivered as a separate project. The same employees may act on a number of projects, and each project needs specific financial outlays. A problem of project employee shortage arises, or some projects need to be delayed for lack of financial means. In such a situation, it is an important activity to prioritise the projects and thus define their positions relative to each other. According to theoretical assumptions [2], priorities ought to be the subject for analysis by the management of an organisation and ought to be based on rational criteria, which may include the following:

- the degree to which the goals of the project are convergent with the selected strategic or tactical goals of the organisation,
- the level of economic gains from the company's assets used in the project, including financial and material resources,

- assessment of the project from the viewpoint of resource availability,
- risk assessment,
- synergy with the other activities/plans of the organisation, etc.

In the analysed practices it was determined that the above criteria were marginalised and formal analyses of project priority based on these criteria were followed infrequently. It was, however, observed that the setting of project priorities was frequently based on the personal features of the participants to a project. For an example, projects whose leader had a strong personality and standing within the organisation, were conducted fast and efficient, with no lack of resources; the project leader's capability of forcing their project needs during advisory meetings and in direct contact with other people was the key to the success of high priorities of individual endeavours.

Yet another practice was that executive teams and managers of different levels concentrated primarily on a project or a few projects supported by an influential person of a high status within the organisation.

### **ORGANISATIONAL STRUCTURES FACILITATING PROJECT DELIVERY**

In economic organisations where repetitive activities are found, there is usually an organisational structure which is referred to as functional by the subject literature [3]. The structure contains specialised sections, and within these – specialised cells dedicated to individual functions, such as machining, marketing, purchasing. Such a structure is not considered to be facilitating project delivery, mainly through the existence of the so-called invisible walls. At the same time, however, it is widespread in economic organisations. For the purposes of project delivery, the structure is modified accordingly. The analysed companies adopted the following structure:

- functional, with executive teams,
- functional, also called contractual or task-based,
- functional with both of the above.

The functional structure with executive teams, pictured in Figure 2, was used in project delivery mainly based on the organisation's own capital. Project members were delegated to the respective teams for part or the whole of a project, remaining formally within their respective functional units. The team leaders formally supervised their activities. The advantage of such solutions is high flexibility – employees could plan their activities in the project team and their functional unit. The main disadvantage is the fact that team members report both to their direct superior in the company and the project leader. This results in the emergence of two decision centres and doubled reporting lines which may result in conflicts. Additionally, difficulties in sharing time between an employee's regular duties and project work, with problems with remunerating the employee for their project work were observed. Long-time separation of an employee from their daily duties was also a frequent problem for the regular activities of the department.

Functional – contractual (or task-based) structure shown in Figure 3 was applied to the delivery of projects whose scope was divergent from the basic activity of an enterprise and whose size was usually large. They were mostly delivered through an effort of outside people and only with minimal involvement of company's own personnel.

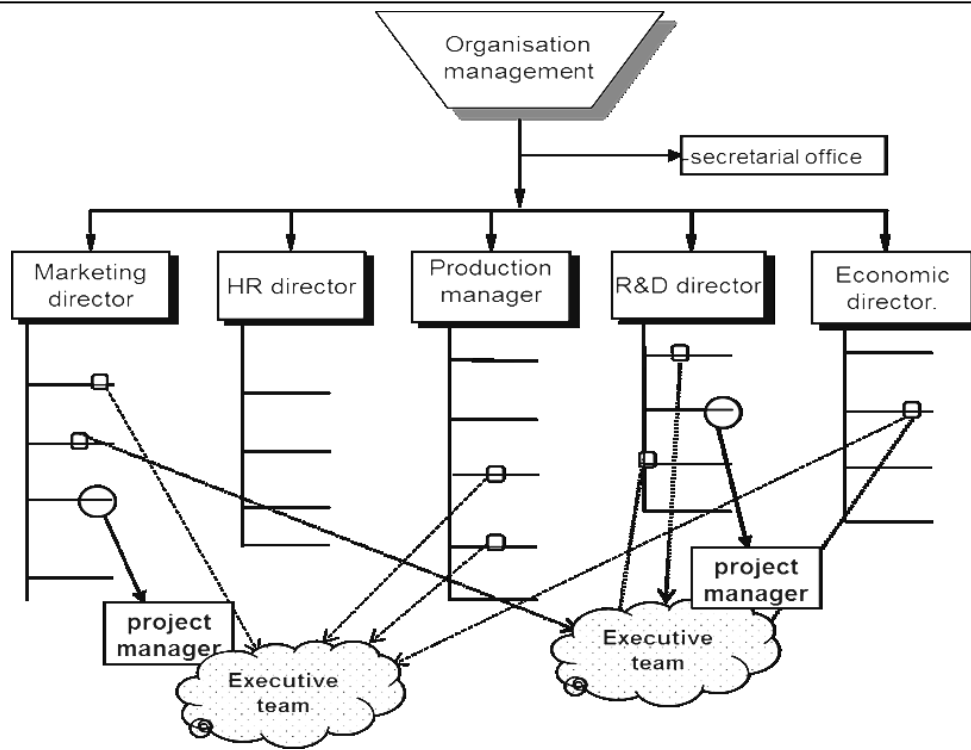


Fig. 2 Functional structure of a business with executive teams

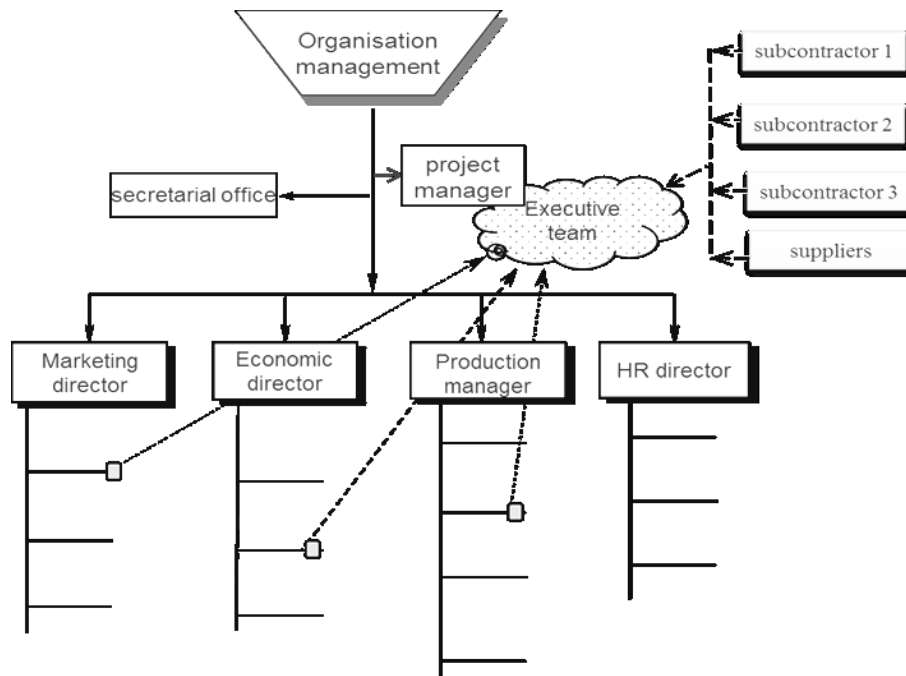


Fig. 3 Functional – contractual, or task-based, structure

This structure was chosen for the delivery of projects whose goal was to e.g. construct new company premises or implement a new IT solution. As part of this structure, integration of subcontractors from a few outside companies and the enterprise’s own people was organised. Outside businesses are independent economic entities, and they are bound only by the declarations in the project contract.

Independently of the structure being used, the manager’s position within the project is important. It is vital that the manager receives an adequately high standing, at the same time being a partner for the organisation’s management, but at the same time that he have a position and authority that allow the influence over the project’s inter-

ested parties and facilitate the efficient course of the project.

The management’s role is to assure that the manager receives power to control the course of the project, assuring strong authority to perform the task, equally strong as that of any other line manager. This position, because of the fact that it is responsible for performing basic business roles, as a rule holds strong position within an organisation, and so should a project manager, especially in a large-scale project. Strong authority in project delivery allows a manager to obtain human resources for their project from a line manager, who does not need to be fully informed of the project’s activity and results.



### PROJECT TEAM THAT HAS ADEQUATE COMPETENCES

As already mentioned, in a repetitive process-oriented organisation, projects are usually delivered for the company's own purposes and are related to issues that are well-known to the personnel, so they are largely delivered with the use of the company's own human resources. Because of the high number of projects delivered parallel in the company, the person count in project teams is also significant. At the same time, the project team members hold their basic professional responsibilities and project work adds more workload.

According to the IPMA competence guidelines, projects ought to be delivered by people with technical, behavioural and contextual competences, which the subject literature describes as the "eye of the competence" [6]. The researched companies practiced the following approach to selecting the project personnel:

- common points with the subject of the project and knowledge in the area,
- current availability resulting from current lower workload in the delivery of repetitive processes,
- scope of initiative of the employee in the planned project.

It has been observed that practice dictated also additional criteria, such as the person in question being a good friend and that they would not refuse to participate in the project, or that the project would result in high wages, so "own people" were involved.

Line manager, or the manager of a department whose employee is delegated to the project, in case of projects unrelated to their department does not need to show enthusiasm towards their employees participating in a project. A line manager focuses on the activity of their unit and is responsible for its results in the repetitive processes, and delegating an employee to work in a project may weaken the unit and influence its results. A frequent practice is to delegate not the most competent employee, but one whose temporary absence in the unit will not result in the loss of its efficiency. Such an approach leads to frequent misplacement of project participants, where the project team is composed of "weak individuals", not always knowledgeable in the project and its workings. Such practices in selecting executive team members resulted in dissatisfaction with a project, and even low results of a project.

A component which caused doubts was appointing the project's manager. This included doubts as to whether each project ought to be appointed a separate manager from a specific company unit, whose project duties are additional to those of their regular work, or whether there should be a manager for a few, say, 2-4 projects at the same time and for this purpose hold a separate position. Each of the solutions holds their advantages and disadvantages, so both these solutions could be observed. A separate manager was appointed when the scope of the project was relatively large.

The least favourable and least efficient solution is that in which one of the company's vice-presidents, usually responsible for part of the delivery of repetitive operations, was appointed a manager of a few projects.

### PROBLEMS WITH MOTIVATING THE PARTICIPANTS OF A PROJECT

If involved in the delivery of a project, company unit employees needed to split their working time to accommo-

date their regular duties and project work. This was not a comfortable situation, so much more that unit managers and other employees within the departments were not willing to take over responsibilities of a project employee, so project work constituted additional workload that the employee needed to cope with independently.

In such a situation a problem of evaluating and motivating an employee arises. It has been observed that an employee is normally evaluated by a unit manager from the perspective of their daily duties and the manager in question is not knowledgeable in the activity of their employee in a project, so this aspect was marginalised or even omitted during evaluation. In case of personal contacts between a unit manager and a project manager the evaluation was more complete, and at the same time more objective. There were, however, problems with employees involved in more than one project.

The evaluation of the employees influenced the remuneration, and awarding bonuses to the employee. Normally, a unit manager and their unit are awarded with bonuses for the repetitive actions, so the employee delegated to work on a project is normally evaluated for their daily work as well, instead for their project work. An employee who works parallel on a project may not have definite impact in the efficiency of their unit, so their bonuses may in some cases even be lowered "because he's not there most of the time, running around instead". There were rather strange situations where units did not fulfil their duties satisfactorily and were penalised with not awarding bonuses. This also applied to an employee who participated in a project, even though at the time in question he did not work for his department.

An employee who participated in a project, as a rule, received no additional remuneration, so participating in a project might even be perceived as a financial loss. This kind of inadequate evaluation and remuneration influences an employee and their involvement in a project. The role of project management is to care for motivating factors so that an employee's involvement in a project is suited for the course of a project and so that the evaluation of such an employee reflect their double involvement in the company.

An important worry of the project employees was their situation following the conclusion of the project. Such endeavours are always of temporary nature and after they have been concluded the team is disbanded. If an employee is involved in the project in a major way, the return to his regular company unit was frequently difficult or even impossible.

### PROBLEMS WITH IMPLEMENTING THE RESULTS AND ASSESSING THE SUCCESS OF THE CONCLUDED PROJECTS

As already stated, projects in companies based on repetitive actions mostly serve to develop the companies' functioning. Depending on how the changes impacted on the personal position of a given employee – an interested party to the project – the employee's attitude towards the project was shaped. If the changes were perceived in a positive way, the employee was favourable towards the project's execution and implementation. If the changes were considered negative, the employee showed a more reserved or even hostile approach, creating obstacles for the course of the project.

A detected mistake among the analysed companies was that employees who were internal interested parties to the project were not completely informed about its course.

Omitting them, or even ignoring, by the project management caused them to form incomplete opinions about the project or even false ones. Project executives, on the other hand, often met with aversion of employees who did not appreciate the fact the project was being developed, where the aversion was a result of lack of dependable project information.

Problem with evaluating the results of the project is a consequence of the fact that the results themselves do not form a definite value for the businesses – only their implementation in the delivery of repetitive processes is of real value. Real importance lies not in the results of a project but in the improvement of repetitive processes and that is why the course and outcome of projects are perceived through their influence of the regular company activities. As an example, in projects based on SixSigma tools, the project's outcome, e.g. restructuring of the production process, was not so much evaluated as the results obtained through the outcome's implementation. Such a situation in project outcome evaluation influenced the approach of the company management towards the projects; the management did not appreciate the value of the project in terms of the company's output and bases their assessment of the project on incomplete data.

#### SUMMARY

In companies where business goals are achieved through processes and tasks of repetitive nature, projects form marginal activity as a rule, but at the same time they are important in developing their respective organisations.

Delivering projects in such businesses always involves own employees, for whom participating in a project forms

additional workload, added to their daily tasks. As a result of the conducted research it has been concluded that mere competences of the project participants are not sufficient for the success of projects delivered in the studied organisations. As has been concluded, in order for the projects to be conducted successfully, it is important to employ proper organisational solutions that give a specific rank to the projects as well as adopt proper approach of the project's involved parties so that participation in the project be satisfactory to them.

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