Applying Human Resource Tools to Promote the Effective Management of Project-Based Organizations: A Case Study of Development Agency of Valkeakoski Region, Ltd.

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ABSTRACT

Development agency of Valkeakoski region, Ltd. is mainly a public consulting agency, which is a temporary employment organization, and also defined as project organization. The qualification and life-cycle employment of staff in project-based organization differ from regularly one. Since people play a major role in the project implementation, it is worthy to evaluate human resource efficiency in the project work, so as to improve effectiveness of project work.

The mainly idea of the thesis is to investigate how does human resource and leadership plays a role in a project employment organization. Firstly, objective is to describe the field of a project organization. Secondly, the thesis aims to evaluate the life-cycle employment of the project manager and the team. Furthermore, a questionnaire will be conducted to analyze current situation of the project manager and team within the company. Finally, a strategy on how to improve the development of Vaske from HR point of view will be devised.

In this thesis, both theoretical and operational research is used. In the desk research, literature from course books, magazine articles, Intent research are intended to contribute to the work's philosophy, definition, and concept. Special interviews were conducted during the field research, together with a series of questionnaires that aims to use specific case sample to obtain better understanding.

Implied by the research, it is understand that employed life cycle in project-based organization definitely vary from ordinary organization structure. Project-based organization has two essential elements: project manager and the project team. Project manager, especially plays a vital role in the project implementation.

To promote management of project-based organization, it is recommended to self-appraise of three crucial issues, such as to organize effective team-

work, to promote communication efficiency, to conduct proper leadership strategy.

CONTENTS

1 INTRODUCTION

1.1 Background information

As increase its penetration of widespread application, project work has been promoted in variety of fields with its extended and scientific benefits. With the improving economic climate, there is a belief that more and more opportunities will be developed for new projects, especially under condition of world recession. It has been argued by Job expert Aart Koffthe that the number of temporary jobs could triple in 2010 as the recovery of world economy. Thousands of jobs will be prepared for the return of seniors and retirees in executive, managerial and professional positions.

Docstoc (2009) has suggested that temporary employment could increase from the current 13 percent of employees to 39 percent. 73% of employers are planning to increase their use of temporary labor.

However, several issues arise in the project implementation as well. Temporary employees work part-time or full-time. They rarely receive benefits or job security afforded regularly staff, because a temporary working contract can end at any time depending on the employer's needs. Hence human resource life-cycle of temporary employees is different from regular staff. How to evaluate it? By which method can be used to promote temporary employees' performance to achieve company's goal? Those are questions will be evaluated in later chapters. (Ref 16)

1.2 Introduction to commissioning organization

In 1983, the Valkeakoski municipality founded the development agency of Valkeakoski Region Ltd (Vaske) as a public consulting agency. After Finland obtained the membership in EU, it was officially updated to be a regional development agency to serve Southern Pirkanmaa region of Finland in 1996.

Southern Pirkanmaa is a region of 50 000 inhabitants located in southern Tampere. The region consists of 4 municipalities (Valkeakoski, Akaa, Kylmakoski, and Urjala). The most important industrial sectors are the metal industry, wood processing industry, and pulp and paper industry, etc. The region has various development projects in operation that are partially funded by EU. What concerns Vaske most is that a large amount of company operated in Southern Pirkanmaa region is SME-sized enterprises. According to the Business Register of Vaske 2007, figures shows that 98% (2348 enterprises out of total numbers) of the company have less than 50 workers. Meanwhile, new companies are increasingly being set up, providing 200 new jobs in 2008.

Vaske is a crucial driver and coordinator of the economy of Southern Pirkanmaa. It offers services, mainly free and reliable, on public consulting to boosts enterprise startups and new jobs. It also develops the region's innovative environment and the business of local enterprises together with universities and training &research centers. More importantly, Vaske acts as a noticeable networking link for domestic and foreign collaborations.

There are 14 full time employees and 1 part-time employee working within the company. The organization is structured as administrative services, business agent, and development services. Moreover, the business agents consist of business consultants, agricultural entrepreneur consultants, and new business advice consultants. The development team mainly consists of several project teams. According to the managing director, there are 6 projects in operation at the moment. The themes of the projects are entrepreneur's education, promoting business activity in Southern Tampere Region, and centers for well-being at work, and so forth.

The major stakeholders are local municipalities of Southern Pirkamma. The Stakeholders also include some well-know industrial companies, such as UPM, Metso, Nordea, and trade associations, for example Tampere Chamber of Commerce & industry.

Meanwhile, Vaske is also an official provider of services produced by the state of Finland and EU. The company's turnover in 2006 was €1.6 million. The average value of projects coordinated by the Development Agency of Valkeakoski Region as part of the 2000–2006 EU Structural Fund program periods was one million Euros per year. The company was 30% funded by Valkeakoksi municipality, and 70% financed by the EU.

The service of the company can be divided into two sectors: business service and development service. Each one has several projects running under supervision. Business services mainly serve customers and to provide professional business consultancies to SME companies in the region of southern Pirkanmaa. They are experienced, professional experts, so that they are able to provide reliable and qualified service to customers. This sector deals directly with the external environment. Therefore it's necessary to consider the issues on customer relationship to promote company's public image.

However, another sector is also vital to company's operation. As a public agency, Vaske has to offer variety of business support to internal and external organizations, but how to provide quality support is an important question to company's development. Hence, it's necessary to found development unit to meet this needs. Thanks to EU funding system, Vaske has certain public budget from EU enable to conduct R&D services. As stated by Vaske's managing director, there is a budget every year by EU since 1996. With external requirements from customers and the government, Vaske plans, implements, and controls new and ongoing projects to sustain competitive advantage in a dynamic environment.

The competitive advantage of Vaske is to provide reliable advice and professional service in every stage of business's life cycle. By selecting a suitable consultant, customers are able to receive all sorts of the assistance from the sales office located in downtown of Valkeakoski. Another core competence is networking. Vaske actively and sufficiently maintains parterships development. There is an electronic regional company database that is regular updated. Vaske also maintains important partnerships with local authorities in Southern Pirkanmaa Region, as well as the Employment &Economic Development Center, Ensimetri center of advisory services for new business enterprises, VTT Technical Research Center of Finland, EU, and other sources of funding, business registers. (Business Register of Vaske, ppt, 2007)

In future, however, due to new funding system standard from EU and a lack of public money, there is great possibility that company's size will be cut by reducing project numbers and employee by 2011. This implies a new organization structure and operating system will be needed in the near future.

1.3   Purpose and objectives of the thesis

Vaske is an organization hybrid of traditional organization and project-based organization, however the mainly business serving unit can be categorized to pure project organization. For the current stage, there are 6 projects operated currently in company, each implemented by different project team with independent budget.

The research question of this thesis to be investigating and find out is: 'Applying human resource tools to promote effective management of project organization'.

In order to achieve research purpose, four objectives are settled as follows:

- – Describe the theory of project-based organization;
- – Evaluate the life-cycle of a project manager and team;
- – Investigate and describe current situation of the project manager and team in Vaske;
- – Define the problems and issues arise in the company;
- – Make suggestions to improve the project development for the company.

The first objective is to research theoretic background information of project-based organization. The thesis enables to search for the definition of project-based organization, the structure of this type of organization. Moreover, it shall also conduct an evaluation of advantages and disadvantages of this organization type, comparing to traditional type, as well as future prospect of project-based organization, and in which field of industry applied.

The second objective is to understand a general HR picture in the project organization. In this chapter, theoretical researches concentrate on the life-cycle of a project manager and team. Several HR concepts will be introduced to the investigation and evaluation, such as team orientation, training, team motivation, teamwork, communication, networking, and leadership, etc.

The third objective is to analyze company's current image by using previous theory. Based on several informal interviews with the manager and employee, the thesis enables to understand how the actual company's organization structure is, what employees' HR life-cycle is, how project operation process actually is. This has a direct influence on the empirical research, which is intensely important to the thesis.

The fourth objective is to evaluate and define those problems and difficulties arise in Vaske. The author applies both online and paper questionnaire researches, together with an interview. It enables to obtain a greater understanding of overall picture of the topic, and Vaske. Those study rewards sufficient secondary data and possible solution on how to improve organizational management.

The last objective is to be able to provide suggestions to Vaske on how to promote organization's performance, what methods can be used.

1.4   The basis of the thesis

Vaske is the company where the author did the first internship. Since it's a public agency, the organization structure, company culture, working atmosphere are such different from normal profitable enterprises. There is less hierarchy between different managerial levels, more flexibility, and more freedom on decision-making, which seems like an ideal employer. Suggested by the thesis supervisor, the author decided to evaluate Vaske on the topic project organization.

Meanwhile, the topic is also of interest to Vaske as well. It offers a chance to review Vaske's process management, and to see how employee contributes to the company, and how is HR feedback deal with. Hence, from this point of view, Vaske will be able to receive feedback that will promote company's operation.

As stated by Vaske's managing director, Vaske has the potential of strategy reform. Due to lack of public funding from the EU, the company is considering stuff reductions and a cutting of the company's size. Therefore, evaluation and review on the company's operation will be valuable and productive to the new strategy planning of Vaske.

1.5   The research method

The thesis was conducted both by theoretical and operational research. There is a special case study of one project team, on the topic of promoting business activity in Southern Tampere Region. It developed an intensive study of the practical criteria. Several interviews with project leader and team member was carry out before an on-line questionnaire.

In the desk research, literature from course books, magazine, Intent research make contribution to the work philosophy, definition, and concept. Company's website and annual report was also useful for finding necessary information. With the support from Hamk Neill searching engine, theory on project-based organization, life-cycle of project team, leadership can be easily found.

As mentioned, before implement online questionnaire, special interviews have been conduct during the field research. Meeting was set up with the project leader and team members, which provided confidence in the research objectives, schedules, and prospects. Furthermore, thanks to the cooperation of every respondent, the thesis have the possibility to obtain reliable secondary data on employee's perception on Vaske, working attitude, personal opinion on project team, and leadership style, and so forth.

Later on, an online survey was sending to employee within the company. This served as a solid base for the thesis.

Concerning the weakness of applying online questionnaire only in Vaske, a paper questionnaire was sending to Automaint, that is another project-based organization. By the comparison of each, it enables to give stronger illustration.

2   PROJECT-BASED ORGANIZATION

2.1   Definition of a project

A project is defined as a unique process with start and finish dates, that consists of a set of activities to achieve a specific objective. It involves three essential elements: time, cost and resources. (ISO 8402)

2.2   Definition of a project-based organization

It has been argued by Mitsuru Kodama (2007) that a project-based organization refers to an organizational structure specially formed for a temporary period to enable the company to execute certain specific tasks. It is a collection of a variety of services, activities and collaboration methods to accomplish the defined objectives and interest of the organization.

In a project organization, a company can keep the primary traditional function. Meanwhile, it forms an additional secondary organization that is based on the projects' desire, which is formed in a parallel structure.

A project-based organization may be a 'temporary thing' that is established for the life of the project. (Lockyer and Gorden, 1996) For instance, in a matrix project organization, a project team is nominated from the functional department for a certain period, usually of 2-3 years, to fulfill a special task. Some time later, when the objective is achieved, this project ends automatically. Consequently, the project-based organization collapses. However, there is also a pure project organization that is, especially suitable for projects with a high strategic purpose for the enterprise, such as providing services or consultancy. Within such an organizational structure, the project-based organization exists as long as one project is ongoing.

2.3   Types of project based organizations

When applying organization structure into a real business operation, there are diverse types of project organizations. These are, for example, a matrix project organization, a pure project organization, a line project organization, and a staff line project organization.

2.3.1   The matrix project organization

A matrix project organization is a combination of pure functional structure and project organization structure. Project workers are supervised by both line managers and project managers. Thus they have to report to both managers. The matrix project was fist introduced in the 1970s. As ob-

served by Lockyer and Gordon (1996), the matrix project organization combined the best components, and was especially suitable in large and international enterprises. This kind of organization operates very well when there are multiple projects being coordinated. It is also suitable for companies within those 'project-driven' enterprises, such as construction. In this organization, the functional managers take care of HR issues, like overseeing staffing, training, job assignment and evaluation of the project's personnel. Employees belong to a primary function department, as well as assigned one or more projects. Their purpose is to assist projects, make contributions, and ensure the project's success through maximum resource efficiency. The figure of the matrix organization below gives an example of organization structure of such type.
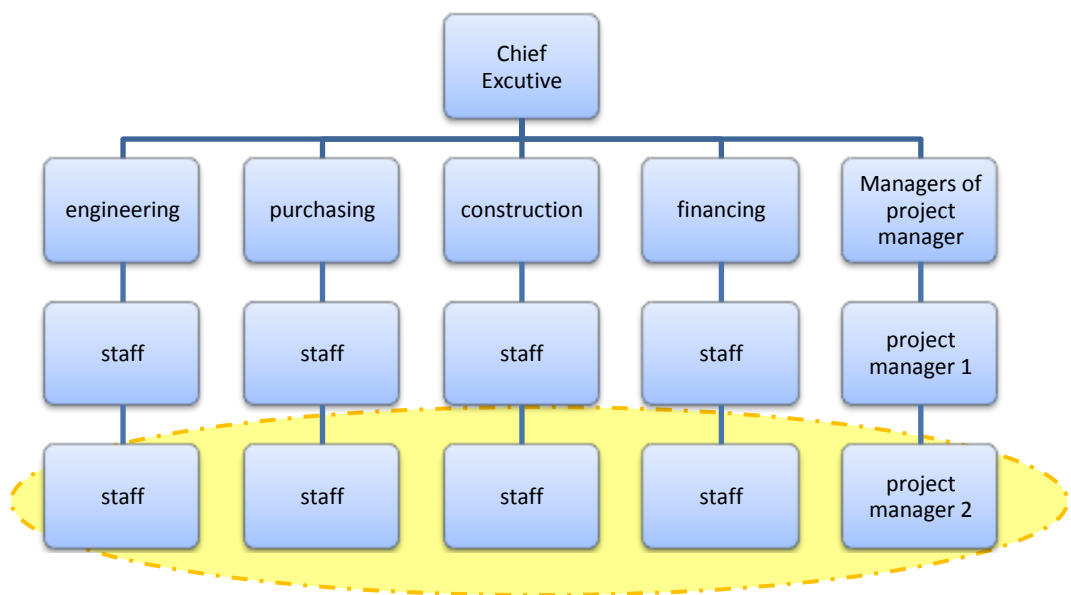
FIGURE 1 *Matrix project organization*

In a matrix project organization, the project manager usually reports directly to the general manager or supervisory manager. Therefore the authority and power of the project manager comes directly from the general manager, because they are normally representative for the general manager's profit interest.

2.3.2   A pure project organization

In the pure project organization, the projects are organized and full-temporally by project teams. The teams are supplied with specialists, budget and necessary resources to reach the objective. (Economy-point, 2006)

According to Lockyer and Gordon (1996), the idea of a primary functional organization is totally abandoned in a pure project organization. The tasks of the employees are directly based on a project team, and separated from the parent system. This kind of organization is normally gradually set up and can be gradually disbanded when coming to a close. It is more like an

autonomous unit with its own technical staff, administration, and tied to the parent organization only by periodic reports. However, sometimes, the staff numbers are limited in order to ensure flexibility, development and efficiency.

It is necessary at the very beginning to fully plan the project team, budget, schedule, and so on. A pure organization is characterized as of 'great importance, large scope, uncertainty, high time pressure, long duration and greatest complexity' (Zurhausen, 2002).

It has been argued that a pure project organization typically appears in a company providing services or consultancy. It brings great advantages for an organization involved with jobbing production or with a very limited product range, for instance in oil rig maintenance.
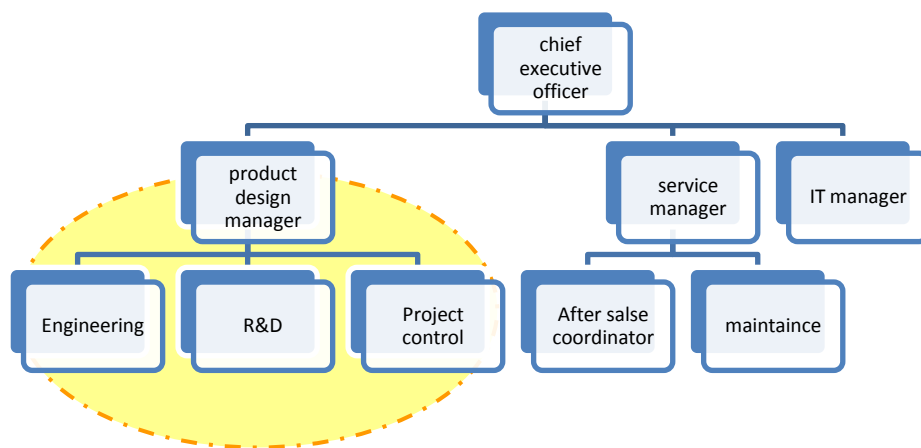
FIGURE 2 *Pure project organization*

From the figure of pure project organization chart, function departments have been cut off, instead of project team. The team gathers some subordinates as a central pool under the manager. It enables to provide extra resources to the projects when needed. Employees are oriented by specific working tasks.

2.3.3   A line project organization

The line project organization is defined as an organization with a wider authority division of the project manager and a temporary attention to the project. Project workers are selected from the existing organization and make a crucial contribution to the execution of the project. Project manager has absolutely authority and responsibility over project workers until the project ends. He/she has accountability to achieve a certain process and coordinate within other parties. (Ref 5)

The characteristics of line project organization are that it can make rapid project-related decision and has high flexibility. The line project organization also has high efficiency. The reason concerning that is because em-

ployees could act with a developing readiness to difficulties and challenges. Hence it enables to prevent potential problems in an uncertain working environment. (Ref 5)

The industry that apply line project organization mainly exist in 'extensive, long-continuous, difficult and intensive projects', such as equipment construction, engineering and the range research & development. According to the research, line project organization structure can be commonly seen in the 'research-intensive' organizations and enterprises relative closely to engineering. (Ref 5)

2.3.4 A stuff line project organization

Taking a general view of the stuff line project organization, it defined as: An organization that project manager receives directly association from management staff position, so that the project is based on clear interest and support of management. Important decision-making are made by supervisors. (Ref 15)

There is a statement that the job responsibility of employees is filled with the task from the project in the stuff line project organization. Employees can be equally named project workers. They can be selected in more than one project team. Therefore, it is normal that employees can be nominated and participated into several team in the same period. (Ref 15)

However, unclear task division and responsibility of the primary organization is one of characteristics of staff line project organization. That's because project workers are usually filled the position after assign in a project team. So basically it's unnecessary to familiar with specific job requirement initially. In addition, the project manager works more like coordinators to cooperate with subordinates from different departments. The project manager doesn't automatically reward with decision making and formal instruction powers over subordinates. (Ref 15)

The staff line project organization is typical in enterprises with little extensive projects. As a result it is common applied in those short and simple projects, or with special tasks at not expensive budget and costs, for instance, company that strategic projects are accomplished.

2.4 Comparison with conventional organization

Project-based organization differs from conventional functional organization. Project-based organization might consist of variety of different project teams. Each project team is an independent organizational entity with its own budget, staff and performance criteria. Employees assisting within project team are committed to the project success, because their payment will be influenced by the project's success. Therefore, hierarchy and bureaucracy become weaker. Because career success depends on the

results of the projects on which you work, not just time on in a position or politicians. So as, competition between colleges relatively reduced. The working performance, efficiency, creativity are the key matters to consider. Consequently, project-based organization becomes more agile, able to response to the demanding customers needs. (Richard Billows, 2008) It also could satisfy company's objective and interest of stakeholders to create improved win-win situations.

2.4.1 Advantages

The following discussion primarily refers to pure organization, as by further study, it is understood that the commissioner of the thesis can be defined as pure project organization.

It has been argued that clear project authority, simplified project communications, access to special expertise, project focus and priority seems to be essential advantages of pure project organization. (The pure-project organization, 2009)

Several other researchers have found similar ideas (Meridith and Mantel, 1997) as follows:

- Project manager has full line authority over the project.
- Project workforce members are directly responsible to the project manager (PM).
- Lines of communication are shorter because there is less intervening management structure.
- Several successive projects of similar kind can benefit from a key expert who moves from project to project.
- Project team has strong, separate decision identity of its own which results in a higher level of commitment.
- Ability to make swift decision is enhanced because of centralized authority.
- Unity and continuity of command exists
- Simple and flexible organizational structure
- holistic approach to the project

As we can see, the potential strength of this structure is the people who have been involved and how they communicate. In the pure project organization, there is an improved communication between the project coworkers and top management. In addition, team loyalties and team understanding has been developed. Thus, manager's ability to managing change has also ungraded, as team collaboration and cohesion developed. (Lockyer and Gordon, 1996)

2.4.2 Disadvantages

However, its disadvantages are equally as formidable (Meridith and Mantel, 1997):

- Double effort on multiple projects due to staffing levels of each project;
- Collection of resources and materials to ensure availability when needed, or 'just in case';
- It tends to cause conflict in the way of policies and procedures are carried out;
- a we-they divisive might arise;
- It might extend the project unnecessary, because of the worry of what will happen after the project ends.

As implied from above, one big weakness of pure project organization is dual effort. For some coordinators or project managers (depends on variety position level) they might have problems on dual reporting to parent organization, which sometimes caused extra burden, stated as bureaucracy. In addition, there is a danger of establishing project team after the project, which might caused a series of upcoming issues from employee, increase budget potentially.

In pure project organization, employees worked as temporary worker, thus there is low satisfaction of job security, and lack of motivations and loyalty to their employer and job. Moreover, in order to renew working contract, it is extremely harm to arise intracompany completion, so-called we- they project division.

2.5 Project manager

2.5.1 Definition

A project manager (PM) is a facilitator in the project management operation. Its primary role is to lead project team and ensure the productivity and completion of the project work. (Ref 10)

As pointed out by Lockyer and Gordon (1996), PM should always exist, even in smallest projects. In some cases, it can be seen that company hire only one employee, who is positioned as project manager to fill total work responsibility. However, PM applied outsourcing to help to reinforce working skills and competence.

2.5.2 Nature role of project manager

Priority role of the PM is to work with management to ensure that they provide resources and support required, and take care of team issues that might negatively influence team's productivity. (Ref 10)

Another job authority of the PM is that he or she is responsible for decision-making, in order to control risk and deal with uncertainty. Each decision should be made ideally benefit to the project.

As noted by Harvery Maylor (1999), however, there are several factors could influence the role of the PM. For instance, one reason is the nature of the project, which is complexity, scale, position in hierarchy of projects. The nature of the organization also plays a role to influence PM's role, on the way of the sector of the project related, variety of activity, different organization structure as explained in earlier paragraph. Moreover, PM's role relies on the personality of the project manager. Finally, it depends on organization's working atmosphere and constraint.

It has been argued by Lockyer and Gordon (1996) that project manager should be nominated as early as possible in any kind of project, ideally in the planning stage. Although it is usually unrealistic for many organization, because, for example to minimize payment budget for project manager. Hence, it normally causes problems, because the PM is not able to perfectly understand full commitment in the beginning work. And so, it will causes extra hidden burden for the PM, sometimes even impressed. Lockyer and Gordon also claim that, however, when possible it happens, the project manager shall formally state the problems as early as possible, and find possible adjustments of the decision. For instance, PM should take an audit and assessment to the project as to ensure success of project implementation.

2.5.3   Required working attitudes and skills

In Harvery Maylor's theory (1999), the success of the PM implies by two aspects: attitude and skills. Attitude determines PM's way of thinking towards a particular topic, and will influence the 'intend of that person'. Recommended attitude to be a good project manager are:

-   A desire not just to satisfy but delight customers and stakeholders alike;
    It is essential to have inter desire to be perfect, as that will help to satisfy clients always better than expected.

-   Accepting of both challenges and responsibility;
    Challenge is a great opportunity to probe self potential and keeping standby rewards better adaptedness towards dynamic environment.

-   Being focused on action, rather than procrastination.
    It is appreciated to getting the job done rather than avoiding critical or difficult issues; otherwise PM will never make good progresses if avoiding making mistakes.

-   A desire to make the best use of all resources;
    Budget control should be handled by PM as well; it is not an easy topic, although he/she should learn to minimize waste in all activities.

- Does not lost sight of the light at the tunnel;
  The person should be result-oriented and goal-focusing, and don't get lost in chaos and complexity.

- Has personal integrity;
  People find it very difficult to respect and take the authority of a person who has low integrity, thus, retain such a quality and illustrate to your subordinates.

- Has personal goal that are consistent with those of the project organization;
  The project team perceives that the PM and the organization are going the same way.

Desired skills for the PM have stated by Harvey Maylor (1996) explained as follows:

- *Ability to determine the real needs/ desires of the customer. This is done through 'getting close' to the customer via visits and both formal and informal discussion, and asking the relevant questions;*

- *Analytical skills to turn data into information and break down the project into comprehensible component parts;*

- *Technical skills – the PM need not be a technical specialist, but must at least be capable of comprehending the work that is being carried out, and 'speaking the language' of the people involved;*

- *Team skills – many battles have been won against poor odds by the ability of individuals to motivates and enthuse a team;*

- *Ability to delegate effectively – not trying to do everything personally;*

- *Ability to manage your own time – you cannot expect to manage other people unless you can show that you can manage yourself;*

- *The balancing of stakeholder perceptions of project progress (otherwise known as being able to 'sell idea');*

- *Negotiation skills – resolve potential conflict situations so that all parties can be said to have 'won';*

- *Problem-solving/ facilitating problem-solving;*

- *Question all assumptions made by stakeholder at all stage of activities.*

Lockyer and Gordon (1996) also have suggested similar skills for a successful PM:

1. Technological understanding

   PM has to deal with technical proposal and selection evaluation in the midst of project, especially for engineering project, possibly without assistant from host organization. Therefore a nature understanding of technology is essential. Together with the original requirement of PM, which is to fulfill nature job responsibility, there could be additional requirements from changing situation. So as a PM should have the ability of self-learning by fast. Nevertheless, from a realistic point of view, it is not desirable for a PM to be experts or specialist, as he/she is just required to have capability to handle challenges to get involved in technological criteria. (Ref 13)

   Jaideep (2008) remarked similar consideration that a PM has to have strong technical skills in order to make his team members have confidence to him, and do not fool him in technical aspects of the project. It's unnecessary to do much of the technical work by the PM, although it is very crucial to have those skills to understand what his subordinates are doing and whether they are doing in a right way.

2. An understanding of project economics

   The PM is required to have basic knowledge towards customer relationship, the operation process of the project.

3. A knowledge of management techniques

   Here, it arises some HR consideration. A PM required understanding topics such as:

   - Payment and bonus systems
   - Interviewing techniques
   - Team orientation and motivation
   - Industrial relations legislation and its application in the project environment
   - The health and safety at work regulations and their application to the project.

4. A competence in planning and control

The project manager should be a good controller, because he/she has to decide most appropriate suggestion in challenge case. PM is desired to be a smart inspector, able to understanding situation and providing feedback. He should be able to check the progress of team members, the skills of them, the abilities, and the potential stop during the project, the customer delays or any other activity. (Ref 13)

5. Financial competence

It's not a must for a PM to have financial education background, however, it is fundamental to have the ability to understand accounting techniques to read financial situation, such as accounting statement. Such as financial technology tools contains:

- Setting and controlling budget
- Cost control
- Variance analysis
- Cash flow statement
- Discounted cash flow methods (DCF)
- Net present value (NPV)
- Credit control
- Loan and interest repayment systems
- Risk analysis (financial)
- Lifecycle costing, etc.

6. A competence in procurement

As PM is hired to supervise project, and representative benefit of company, he/she has to use minimum budget to implement the project, although with satisfied quality as well. A PM should handle the genuine balance between two. Here are several topics a PM should familiar when consider about procurement:
- Contract law
- Techniques for procurement of goods and services
- Costs of holding stock
- Expediting
- Materials control, etc.

7. Good personal communication abilities

A good PM should have strong communication skills and fine presentation skills. According to the research, it is stated that 50% of a PM's time is on the severe test of his communication competence during project lifecycle.

In addition, project manager should have excellent presentation skills as he/she has to provide public talk to customer, or sometimes quite often, he/she has to address meeting within organization. To convince the customer and parent organization about the progress of implementation and the completion of project, the PM has to sell the idea by having impressive presentation skills. (Ref 13)

Furthermore, wise interpersonal skill is a huge supplement to a PM. As he/she has to manage his team, strong interpersonal skills ensure that he is able to maintain a cohesive team who works in collaboration. He has to be a firm 'bonding agent' in the team and the other teams working on the project. (Ref 13)

8. Leadership skills

PM has to upgrade the leadership skills in all his team members so as to make them independently working and efficient cooperating. As Harvey Maylor (1996) discussed earlier before, a PM should learn to delegate. He/she should handle balance between personal control and team members' independent contribution. It is wise to shift unnecessary task to subordinates, together offer trust and enhance teamwork spirit.

2.6   Project team

2.6.1   Definition

Project team is defined as a team, whose members usually belong to different groups or functions, and are bring together assigned to activities for the same project objective. (Ref 11)

As pointed out in former writing, project team might include only one full-time member, who is project manager, in a small project. The size of project determines the size of project team. When project developed in later operation, a complete team structure will arise. However, team will be disbanded after the completion of the project. Typically a team consists of 2 to 20 people; although some declaim that effective teamwork should control number of staff under 10. (Harvery Maylor, 1999) The structure of project team also decided by types of project organizations, in general, matrix project organization always have full project team, rather than pure project organization.

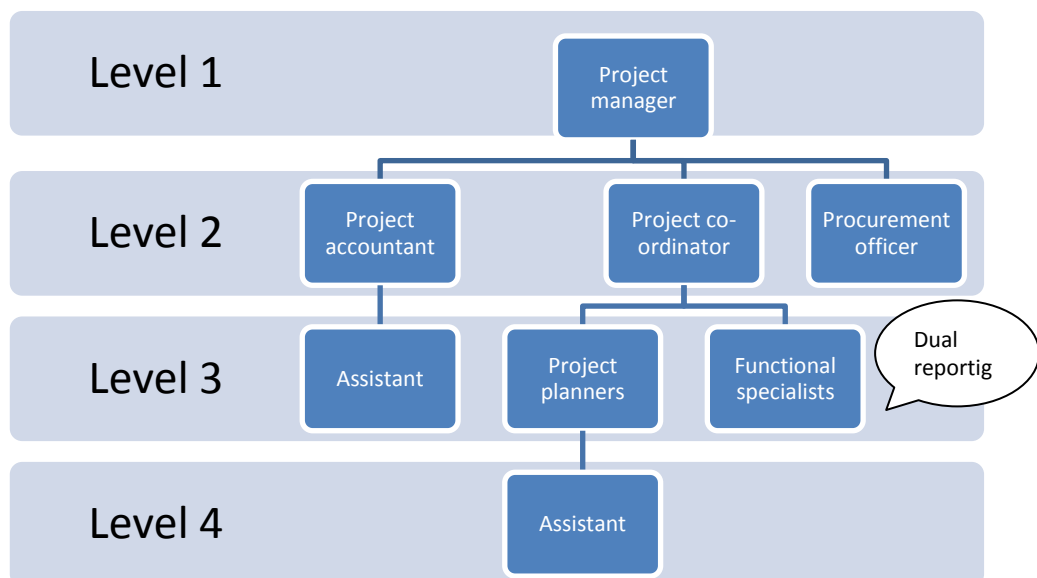Here below will give an example of full project team structure.

FIGURE 3 *Structure of a full project team.*

Project team will consist of variety of members working under supervision of PM. Some are working part-time, or have functional responsibility as well, for instance in the level 3 of figure of structure of a full project team, functional specialists have dual responsibility whilst serve department manager as well. This might caused dual reporting problem and conflict between parent company and project team. Consequently, it leads to weaken loyalty. In particular, when staff is secondly assigned to assist the project from original function, it might be difficult for both managers to give subject employee evaluation to the specialist, because they are unclear about the performance in other duty, so that it is unable to provide reasonable incentive and recognition to the employee. Hence, specialist's physical separation of office location matters a lot to communication efficiency. If it's a distant location, extra effort to building up formal communication channel is necessary. However, when problem arise, it will be a huge confusion for the specialist to reporting or asking help. As a result, dual reporting system seems to be extremely annoying. (Lockyer and Gordon, 1996)

According to Maylor (1999), characteristics of team suggest:

- The output of the teamwork is fairly effective than the sum of the outputs of individual, as team should be able to relate to creative process, such as idea generation.
- A greater option of team members' contribution of nature difference is added to teamwork.
- Decision-making by the team is trends to accurate and comprehensive.
- Openness to taking risk: risk has been commonly shared by team members rather than individuals.
- Higher motivation level, as there is an inherent responsibility to others in the team and a desire not to let them down.
- Better support for team members, who are possible relative to wide range of activities, thus they can receive extra help from other team members.

2.6.2   Life-cycle of teams

Team are brought together to contribute one specific objective, therefore as it develops by, it has various stages, just like a project. Maylor (1999) has been affirmed that the life-cycle of a team can be generally divided into six stages, which defined as *collection, entrenchment, resolution/ accommodation, synergy, decline, and break-up.*

In his view, *collection* is stage to form a group of individuals with collective task or issues to resolve. Eagerness and initial enthusiasm gradually appear during the team, and the degree of that it is generally depends on the employee's authority and hierarchy. This initial stage is more like a preparation period to establish their position and understand what is the job responsibility and accountability. (Maylor, 1999)

Entrenchment stage can be very destructive and relatively unproductive. As the group member begins to find out which my territory of issues to stand for is, and which others are. The entrenchment arrives when reach up to pre-conceived ideas. The problems of this phrase are how the project should be proceeding, how to persuade team members to willing to consider the merits of allowing the group to decide together on the activities. This stage is considered as unproductive, because of issues such as disillusionment with the goal of the project. There is also a general confusion when the task undertaken has barely little relationship to the goal of the project. (Maylor, 1999)

Resolution/accommodation is the third stage where disagreements start to be solved, and there is an incremental of mutual trust, team harmony, self-esteem and confidence. This is a take-off stage that negative social effect decrease and productivity arise. (Maylor, 1999)

Synergy is the most productive phrase, where on the peak of effective of the team contribution. According to Ansoff (1969), it defined as when the output of whole team greater than that would be obtained from individual component part. One off obvious characteristic of this phrase is leadership is shared, and new motivation is draw to finish the task at hand. (Maylor, 1999)

Decline phrase comes when the effectiveness begins to fall. Several occasions could cause decline. For instance, team members are bored of unchanging and unchallenged task by hand, or focus shift from job activity to social group. (Maylor, 1999)

Break-up appears naturally before the task is finished. Project might have problems to organize new team to take up the final work undone, and team members are expected to get 'up to speed' quickly and rashly, therefore additional pressure arrives. Efforts on future projects can be beneficial, according to Maylor (1999), because participants leave with good memories of the achievement of the team.

Other researcher has made similar separation of project lifecycle. As noted by Lockyer and Gordon (1996) that project can be defined into four necessary phrases, which are *conception, development, realization, and termination.*

Conception stage is more like collection stage in Maylor's theory. It is the most important to a project because crucial items of decisions and commitment are made in beginning. Ideas of project's purpose or product purpose are expected to sell to the organization or customers, should be negotiated and documented in clear and unambiguous terms and agreed by both parties.

Development phrase consider of project manager and team nomination and allocation, detailed project plan competition.

Realization is the stage of project team contributes development into reality. Reporting system is built up and improved, in order to overcome communication issues.

Termination stage include activities of project report analysis or completion of retain capital equipment, to offer additional value to the organization.

Statement above ensures that there is a nature life-cycle of the team, depending how to view the project and phrase division. Productivity and motivation fluctuate during the process.
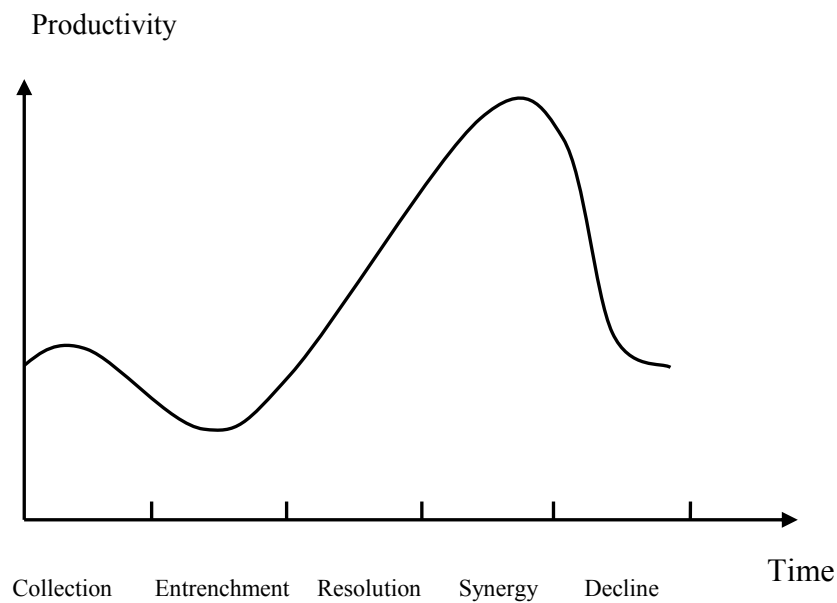
Productivity

Collection   Entrenchment   Resolution   Synergy   Decline

Time

FIGURE 4 *Effectiveness of project team life-cycle*
Source: Project Management, Harvey Maylor (1999)

Project manager could examine the team's operation by review productivity and effectiveness of teamwork. As illustrated form the chart, effectiveness of team work will gradually raise in the beginning stage, however reach the trough in the entrenchment phrase, in which is PM's duty of mediation. As project implement to synergy period, productivity of the team will obtain to peak. It is interesting to note that effectiveness decrease dramatically in decline stage, when this happens, PM can held back decline as long as possible, by changing team' s composition or adding new challenge to team members. By understanding this, PM could manage the project team efficient as taking beneficial of advantage of nature of project team.

2.6.3   Team role

Team members are crucial and should be selected to fit the project team as well. There are varieties of channel to evaluate candidates, such as thro formal ugh interview or psychometric commercial test. Stated by Maylor (1999), two most popular available test are Watson-Glazier (evaluation of critical thinking), and 16 PF (analysis of a person's nature roles in groups). Generally speaking, there are series of basic requirement for key player. Maylor suggested that a team could consist of 9 categories of people: plant, resource investigator, coordinator, shaper, monitor evaluator, teamworker, implementer, and specialist.

Plant is defined as person with personality of creative and imaginative, sometimes could be don't respect rules and details. However, a plant could be a good problem solver.

Resource investigator is normally enthusiastic, communicative, and always waiting to seeking better opportunity and building up contact. The weakness of this kind of person is over-optimistic and possibly lost interest after initial passion passed by.

Coordinator is commonly mature and confidence, and potentially could be a good chairperson. He/she is good at decision-making and clarifying goals. However, it might be danger to seen as manipulative and over delegation.

Shaper is a person defined as willing to take challenges and suitable under pressure, as he/she is thrive on obstacles. In the other point of view, it could be negatively hurt other people's feeling.

Monitor evaluator is a person with sober strategic and discerning view, as he trends to examine every option and will choose accurate solution. However, he could be extremely critical, or lack of drive and ability to inspire others.

Teamworker is defined as cooperative, mild, perceptive, and has a special advantage of avoid and prevent friction. Negative point of teamworker is can be easily influenced and indecisive.

Implementer is defined as disciplined, reliable, conservative and efficient. However, he/she can be somewhat inflexible and hard to adapt to changing.

Completer is conscientious and painstaking, therefore somewhat anxious. He/she good at search out errors and omission, ensure the project delivery on time. However, a completer behaves like a nit-picker and trends to over worry.

Specialist is a person normally single-minded, self-starting, and dedicated. He/she usually provide knowledge and skills in specific area, and easily ignore an overall picture.

2.7   Future prospect of project-based organization

Since the benefits from project-based organization, it is not only adopted by some large companies, abut also applied by official organizations, specialist, etc.

Employee who is working in the project-based organization usually is temporary employed. They are mainly specialist who has competences or experience, hired to assist employers to meet business demands, yet allow the employer to avoid the cost of hiring a regular employee. (Susan M. Heathfield, 2008)

3   LIFE-CYCLE OF THE PROJECT MANAGER AND THE TEAM

3.1   Teamwork

It has been argued by Geary (1994) that teamwork used in a variety of different ways is defined as an epitome item for all employees to work together, including groups of individuals simply sharing skills and knowledge, or even self-managing work unit. Noted by Buchanan (1994) that teamwork is a management approach that involves a group of employees with multi-capability, who organize and allocate of work task, and responsible for every aspect of production, and quality control.

Teamwork can be stressful both for manager and team members. It is a controlling tool to attempt to organize labor force and intensify work. (Parker and Slaughter, 1988) As observed by Marchington (2000) that higher management support and commitment is essential to the teamwork, otherwise, the repay will not be satisfying.

3.1.1   Team orientation

Andrew Thomson (2002) stated that it is always necessary to ensure group leader sufficient freedom to choose how to form a team based on the demands of the task and skills and competences required. Maylor (1999) arise similar suggestion that a project manager should has satisfying free hand to select who should john the project team performance.

Issues of what is the team's task, what kind of people necessary included in the team can be examined with the help of ideas of job description, employee specifications, and personal characteristic evaluation.

According to Andrew Thomson (2002), a good and appropriate job description would be proper supporter to make employees understating job responsibility, as well as to the team member. He declaims that a job description consists of the title of the job, main purpose of the job, main task of the job, and scope the job. Job title suggests the position in the organization, relative authority over team members. The main purpose of the job defines a team member's original role in the team, accountability he/she are expected to fulfill. The main task of the job explains the task of the team member, which helps people to understand their 'business area'. And finally, the scope of the job enable the person understands the responsibility over the project team and company.

Employee specification (also described as person specification) helps to select appropriate team members by exploring skills, knowledge, experience and attitudes. Skills can be nature capability to fulfill the team's demand, in addition skills might potentially useful in a changing environment. Knowledge would be unnecessary to some point, that some manager is expected through provision in later training. Experience suggests a desired quality of an employee required, which ensure project manager find necessary qualified team members. Attitude defines social behavior qualities towards leadership style, willing to work in the team, or work without supervision.

Characteristic evaluation could be investigated by nature of team role, as discussed in earlier chapter:
- plant
- resource investigator
- coordinator
- shaper
- monitor evaluator
- teamworker
- implementer
- specialist

Naturally speaking, people could play more than one role within the team. Team roles helps employee defined which roles he/she are strong, and which are weak. It is impossible to keep the team perfectly balanced, however, what can do is keep in mind the shortingcomings of every team and team members. (Andrew Thomson, 2002) It is useful to spend time asking every employee's strengths and weaknesses, and discuss those with other team members, when form a team. Hence, the team will aware of some general weakness, avoiding damaging conflict and issues.

When the group is build up, team is going to enduring initially testing stage. Staff in the team could be anxious, feel of lost. Individual trends to polite to each other and self prevented to what he/she say or agreed. It is hard to make them divulge unless asked. One interesting point, they will evaluate the team leader. Such wondering could be is he/she formal or informal, directive or consultative? What kind of authority the leader got over me? Is he/she capable of this position? There will also be a consider-

able amount of silence as people will investigate each other, and discussion topic would mainly relative to the team, such as task of teamwork, task division, objective of the team. (Andrew Thomson, 2002)

Andrew Thomson suggested possible solutions to break the ice. An open staff introducing discussion could be helpful, or make one team member interview another, in addition to name cards exchange.

3.1.2 Effectiveness of teamwork

Woodcock and Francis (1990) affirms that an effective teamwork has to reach circumstance of following:

- set up clear objective;
- have open relationship;
- deal with variety of stand view and learn from debate;
- high level of support from team members;
- Personal knowledge and trust is valuable to build personal relationship;
- trends to enjoying working together;
- potential conflict can be resolved through;
- procedure and decision-making is effective;
- Appropriate leadership skills needed;
- ability to learn from experience by operation review;
- Open and cooperative relationship with other group.

Noted by Maylor (1999) the challenge of teamwork to attain to profession is the boundaries of effective team- the barrier between disintegration and integration.
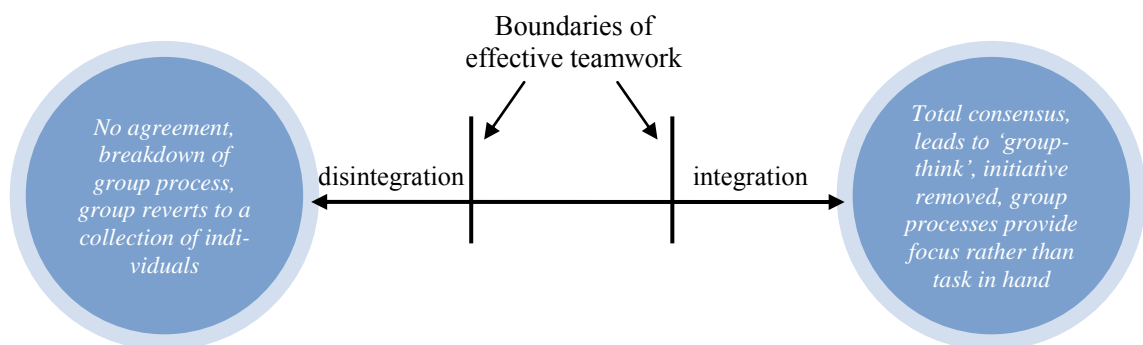

FIGURE 5 *spectrum of team performance*

Form the figure of spectrum of team performance, at one end of the spectrum is the disintegrated team, where there is barely low agreement between the team members. It totally opposes the nature of teamwork and decision-making process. At the other end is integration group, where

there is a common sense of 'group-thinking'. Their processes can be defined as group-thinking, where there is a common sense about teamwork. People make it clear that it is a huge burden and annoying to abandon group-oriented logic without discussion with team. What a project leader can implement is evaluate team's criteria, and draw closer to integration.

Nick Jenkins (2006) also recommended four solutions to build a strong effective team:

- Open and honest trust

Projects can often be enigmatic place with several of disclosure because of commercial or political pressures. However the project gossip spreads just as fast as the office kind and it is assured that if you make fool of somebody or deceive them, you will end up with office gossip.

Be as open and honest with your teammates, and try to answer their questions honestly and directly and act as an information massager, not a barrier. If there is something required to keep confidentially, say it out. Your team will appreciate your honest and return relying information and credit you better.

- Equality be fair and even handed

It is inappropriate to be critical in public. Being criticized in public, especially in front of peers, is not a motivation for anyone.

If there is a problem or issue that needs to be addressed you can normally mention it as a subject for the whole team to address. As a result, the whole team can share the burden from issues, and work together to solve the problem. This can also decrease conflict. Open discussion enable encourage the team to take ownership for the problem and solve it themselves.

- Loyalty protect your team

It is likely for a team worker has separated responsibilities – firstly he/she has a duty to clients to show the success vision of the project, however, he/she also has a responsibility to represent that teammates support each other. This two objective aims to be 'neatly aligned' however not always!

Then it is time to choose tough different moral standard. For instance, you could present clients the effort that your teammates have contributed to help you, rather than suggest I am incapable to doing this job. However it could be incompatible to each other.

- Learn to delegate

Proper delegation needs to specify task division, with reasonable and achievable goals, so that project leader can provide support it require to get the job done.

Delegation involves employees' freedom and flexibility to get the task done by them. If a PM leaves the execution of tasks to team members, in return, they will leave you to get your own job done. However watching over their shoulders will be a waste your valuable time and make them annoyed.

3.1.3   Working culture

Affirmed by Thomson (2002), people are generally heterogeneous from each other based on different social, education, and national culture, however remind of working in the team, they are trends to view by homogeneous. Culture will play a potential and virtal role concerning on group behavior. There are several ways to evaluate and review culture difference, from the sense of nationality; however, it would be likely to aware culture difference even within the country.

Geert Hosftede (1980) suggested that four basic dimensions of the difference between nations:

-   Power distance
    It analyzes the extent to the less powerful members accept the unequal powder allocation. This can defined the degree of centralization of authority, and exercise of autocrative leadership. (Torrington, Hall, and Taylor, 2005)

-   Uncertainty avoidance
    It explains how the changing is and risk-taking is acceptable and encouraging in that group of people. Strong uncertainty defines that people feel threatened by uncertain situations and have high pressure over changing.

-   Individualism vs. collection
    It evaluate to what extend do the people enjoy collective concern. In collective culture, people have close bound to social framework and emphasis on belong to the group and being a good member. As a result, team member with greater collectivist trends to loyal to the group.

-   Masculinity vs. femininity
    It evaluates how gender stereotype influence people are thinking. Masculinity stated as has emphasis on the achievement of goals and focus on end result and winning. Success, money and material standards are important. However, femininity concerns on the whole process, context, and looks for ways of satisfying others. Quality of life, people, and environment are more important.

Dimension in culture might suggest different organizational principles, which can help team leader to set up and investigate proper organizational and team culture. (Hofstede, 1991)

Country with high power distance and strong uncertainty avoidance suggests that people are trends to produce organization that is over focused on hierarchy and clear orders from the supervisors, which categorized by Hofstede as a pyramid of people.

People with low power distance and strong uncertainty avoidance prefer to work in organization that relied on rules, procedures, and clear structure, defined by a well-oiled machine. (Hofstede, 1991)

Culture of low power distance and weak uncertainty avoidance suggest there trends to have ad hoc solutions when the problem arise, because many of the problems could be end up with interpersonal problems, defined as a villiage market.

3.2   Communication and networking

3.2.1   Communication system

Communication is an essential tool both for manager and employees to exchanging (giving, receiving, seeking) information. It can be also called 'munication' defined as a two-way process. (Derek Rowntree, 1988)

Communication can be reached via spoken words (e.g. face-to-face communication, presentation, speeches, etc.), written words (e.g. letters, memos, reports, newsletters, etc.), and non-verbal expression (e.g. tone of voice, accent, body language, lifestyle, etc.).

Communication system is a drive to push organization's information by using formal and informal method. As remarked, communication is a two-way process, so that information flow can be delivered by two methods: downward communication system (that get information to employees) and upwards communication system (that get information from employees).

Downward communication systems defined as information begin as top-managerial level and pour out through hierarchy to inform or influence others, which is also called top-down method. (Willian et al, 1996) In this way, organization provides employees knowledge of the company and feedback on how their contribution has perceived. There are diverse tools to operate downward communication system, such as company's newsletters, booklets, employee bulletin boards to inform employees' development of the company.

Upward communication system means that information from employees who attempt to inform or influence higher management level, which involved both supervisor and employee. Sufficient exchange of information, especially from employee may help manager with decision-making. Good communication atmosphere could enhance relationship between employee and supervisor, in addition provide valuable information, such as interpersonal issues like peer relations and career expectation. (Willian et al, 1996)

3.2.2 Communication within the team

Sated by Thomson (2002), it is not easy to communicate effectively and graphically, even in many cases, communication arise misunderstanding problems. Communication should take consideration of three elements: how to communicate, what is the objective, and trying to inform others on their great needs. In order to communicate correctly, people should try to avoiding complex, long-winded language. For instance, when explain a fair location to team members, it's more effective illustrated with a map to show the place, rather than expressed only with long conversation.

Form a project manager's point of view, good communication skills are special add-up to the teamwork effectiveness. There are several objective should be keep in a manager's mind: to make employees to understand and accept what the manager suggest; to seek commitment of the employees to these proposal; and to help the employees to appreciate the contribution they are expected to offer to success, and how the success will benefit them in return. Thomson (2002) suggest a tips to communicate productively, which is to continually review what has been said, and repeat if necessary to ensure that your understanding matches that of the speaker, together with ensure that listener understand what you have said. In addition, it's also important to inform people the progress and development of the organization and team, so that it rewards them a feeling of team belongs and show appreciation in returns. For instance, briefings, newsletters, and other forms of sharing information is appreciated by employees. And one more point, provide the opportunity for them to express their opinion as well, as reviewed that communication is a two-way process.

3.2.3 Meeting as a communication tool in project work

In the project management, PM should organize and present a great deal of meeting to ensure project progress and proper communication between each, so that a preparing of skill on how to run a productive meeting is vital. As a mater of fact, it is quite common that many meeting end up with any progress or decision made.

Harvey Maylor (2002) provides some practical suggestion to how to run an effective meeting:

- Confirm the objective

  In order to operate a meeting, there should be appropriate purpose why to get people together for discussion. A objective should be clear and specific to focus on the main goal and leave out unnecessary issues.

- Ensure the presenting list of the meeting;

  This is to decide minimum number of people to join the meeting; otherwise it's rude and offended to invite some people to the meeting which is not their business. Hence, it's worth to check each individual who is in doubt.

- The pre-meeting preparation;

  There should be confirmation of the location, agenda, and report if needed, to provide background information in advance.

- Running the meeting;

  It is easier to provide a constructive debate for a discussion. Repetition idea, and dominate talk from another employee should be avoided. Project manager can regularly summaries progress and ask for conclusion. However, audience's attention usually decline rashly after the first 20 minute. There should be a break or closure when meeting begins 2 hours, because productivity of the people will be dramatically diminished.

- Make into deal;

  The final aim for the meeting is to obtain consensus. Maylor (1999) implies that it is very skilful art, which enable some 'brought-in' ideas support to decision-making.

- Post-meeting follow-up

  It is always better to send a copy of memo with action point, together with list of person should carry and responsible. It's a good idea to write a one page A4 paper of conclusion and action point of the meeting, which can be also a next meeting earlier discussion. But it's important to make anyone who has said something a responsibility to carry out task.

3.3   Leadership

According to the definition of Shackleton (1995), leadership is a process of individual influences other group members through the personality or actions. It has no assumption about how is the leader, as sometimes it's not the head of group nominated is the leader. Therefore, a manger is not necessary a leader, and a leader is not necessary a manager.

The role of a project manager (hereby specified leader) is generally determined by nature of task undertaken, individual skills and attitudes, motiva-

tions of the team members, organizational culture, and organizational structure. (Harvey Maylor, 2002)

3.3.1 Leadership style

Many researchers view nature of leadership process is interaction between the leader and follower. Hersey and Blanchard (1969) argued that leader's behavior is based on two dimensions: relation towards task and relation towards employee. The leadership style depends on current situation and individual.

Relation towards the task mainly focuses on telling information and directing how the task should be done. Relation towards the employee is more like a two way communication that offer encourage, supporting, rewarding, discussion, and assistance. Following graph describe four leadership style based on two relationships, which are directing style, coaching style, supporting style and delegation style.
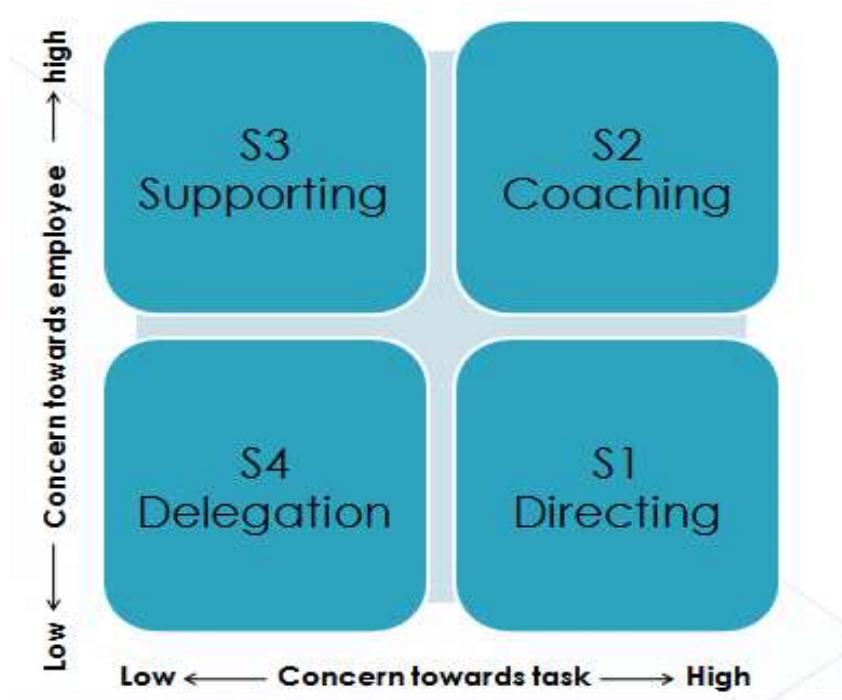

FIGURE 6 *Leadership styly*
Source from Situational Leadership (Hersey and Blanchard)

Directing style (S1), sometimes also defined as telling, has high degree of relation to the task and low degree to employee. This is mainly one-way communication. It focuses on directive approach and strict supervision.

Coaching style (S2), sometimes also defined as selling, is described as high level of relation to the task and high level of relation to the employee. It is similar to directing, however, leader spend more time to communicate with employee.

Supporting style (S3), also described as participating, has low degree of relation to the task and high degree to the employee. Manager trends to be a good listener, and talk and give supportive feedback to followers. Commonly speaking, employee will be also involved in decision-making.

Delegation style (S4) has low level of relation to the task and low level to the employee. Manager completely passes over the task to the employee, as involved good trust. However, there is not much leadership practice here.

Rather different from common theory of leadership, O'Neill (2000) suggested a new vision from three different premises. He points out leadership skills and ability can be trained. Leadership is changing depends on different leadership role and situation. One last point, leadership is not authorized from top management level, but distributed in different of level.

He also classify leader into three types:
- Visionary leader
- Integration leader
- Fulfillment leader

Visionary leader is defined as provide a vision, corporate value, structure, and reforming the organization to survive, so as to satisfying shareholders. He/she is ordinarily from top management. Visionary leader need to have a 'big picture' sense.

Integration leader's responsibility is to link the unit's system and form the infrastructure, and improve organizational culture, together with resolve the conflict and interest between parties. He/she could position as head of department, region or site.

Fulfillment leader is who that pleases the client, deliver operating results on time, and makes continuous development, and ensures the productivity of resource. Fulfillment leader is the short-term oriented, focus on quality and immediate results, and pleased customers from a human psychology point of view.

3.3.2   Leading the team

When the team set up and task divided, additional leadership tool should be applied to help with improvement of team performance. Series of issuers arise, for instance, the team need support, guideline and direction, feedback, or even more effective communication. Leaders could fulfill those requirements and needs for improvement of the team.

Adair (1983) maintained a three-circle model theory for a leader to keep into mind as following:
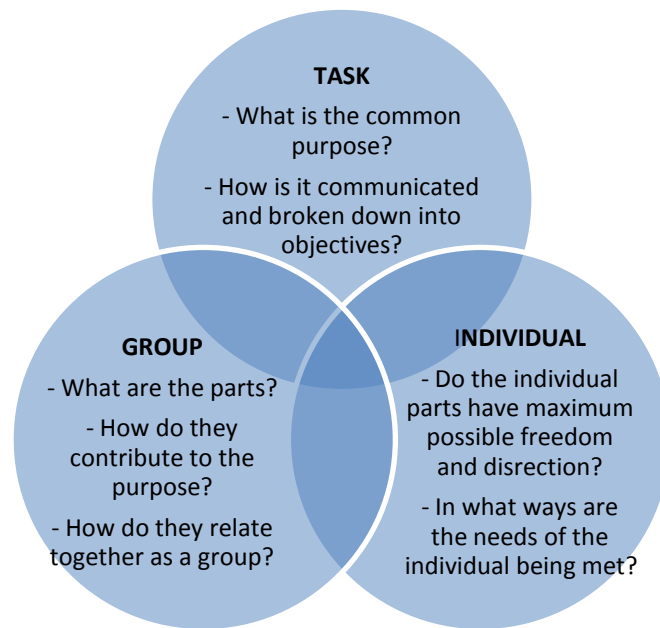
TASK

- What is the common purpose?

- How is it communicated and broken down into objectives?

GROUP

- What are the parts?

- How do they contribute to the purpose?

- How do they relate together as a group?

INDIVIDUAL

- Do the individual parts have maximum possible freedom and disrection?

- In what ways are the needs of the individual being met?

FIGURE 7 *Three-circle model*

Illustrate on the graph of three-circle model, a leader needs to relate to the task and activity being operated, and needs of individual. Additional questions in the diagram suggest that team leader has to aware of all things and everybody in the team, and keep a correlative balance of the demand of the task and team and individuals. (Thomason, 2002)

3.3.3 motivation

Motivation has an indirect impact on leading a team. It can be defined as providing needs of individual to drive to greater performance and productivity. Stated by Willian et al (1996), motivation involves the unique feelings, thoughts, and past experiences of everyone, while we sharer relationship networks internal and external organizations. There are varieties of theories on how to motivate people. Taylor's motivation method (1911) has been applied by many fields. Maslow's hierarchy needs (1943) also thoroughly explained needs of individual. Another principle of McGregor (1960) is based on the assumptions about the way people behave at work. Project manager can practical apply those solutions to ensure team members provide with a high level of motivation.

3.3.4 Leadership in project work

Noted by Maylor (2002), management style in project management can be observed into two spectrum directions: cooperation and coercion. Cooperation is based on educating and coaching the team members why it is in their interest and responsibility to join the project as a contributor. It emphasis on humanistic movement, suit the circumstance of requiring of active participation. The main idea of cooperative management style is providing enough group support to meet the needs of individuals.

Coercion suggests using authority power and functional force to drive individual to finish the task. It can be applied to short-term objective of specific task; however it is usually confrontational because no common interest and purpose has been communicated between supervisor and team members.

3.3.5 Culture influence on leadership

Organization culture has an implication to the leadership as well. Progressed by Handy (1985), analysis and description on nature of different group is illustrates in the following figures. It provides a practical solution of management strategy based on diversity of organization culture.

Name	Description of culture	Characteristics	Advantages	Disadvantages
Apollo	Role	Formalized, rule-based, focused on individual Specialism.	Stable, Predictable, visible.	Stable, predictable
Zeus	Club	Entrepreneurship, focus on single leader, autocratic style	Little structure to prevent dynamism	Little logic to what is done, total dependence on one person
Athena	Task	Group gathered with common purpose	Creative, dynamic	Expensive to maintain, needs constant stream of new tasks and high qualified people
Dionysus	Existential	Shares resources but people are not dependent on others	Allows each to be Self-determining, little structure	Relies on individual responsibilities and risks, needs high level of personal development

FIGURE 8 *Organization culture*
Source from Harvey Maylor, 2002

Apollo organization can be defined as high structured with divide specialist into small unit to fulfill a specific need. It generally applied in government department, or big company. However, it has weaknesses of lacking innovation, and bureaucracy. Bureaucracy often cause obstacle to decrease progress of the project.

In the Zeus culture, it is normally manager dominate the work autocratically. Many business especially small-medium size company apply this strategy. The manager is more like a boss that makes the decisions for the employees, self-guarding the knowledge of how the business operates. However, it is valuable to apply this kind of culture to meet short-term goals when the project is running out of time and vast of test required.

Athena organization grouped motivated and well-education experts to work for a common objective. Their performance is generally creative, and could meet dynamics. However, it is quite expensive to maintain, and need continuous task and qualified people to motivate the productivity.

Dionysus culture suggests that individual plays a bigger role than previous two kinds. People in Dionysus organization are very independent, mainly self-managing and developing. There is a looser relationship between manager and individuals, but sharing resources of the company.

4   ANALYSIS OF VASKE'S ACTUAL SITUATION

4.1   Project organization structure

Vaske acts as a business agent to local municipality to fulfill responsibility to promote local economy. However, it also offers services to clients, and totally differs from government department. It performs the business totally independently, and core activity and tasks are operated in the unit of project.

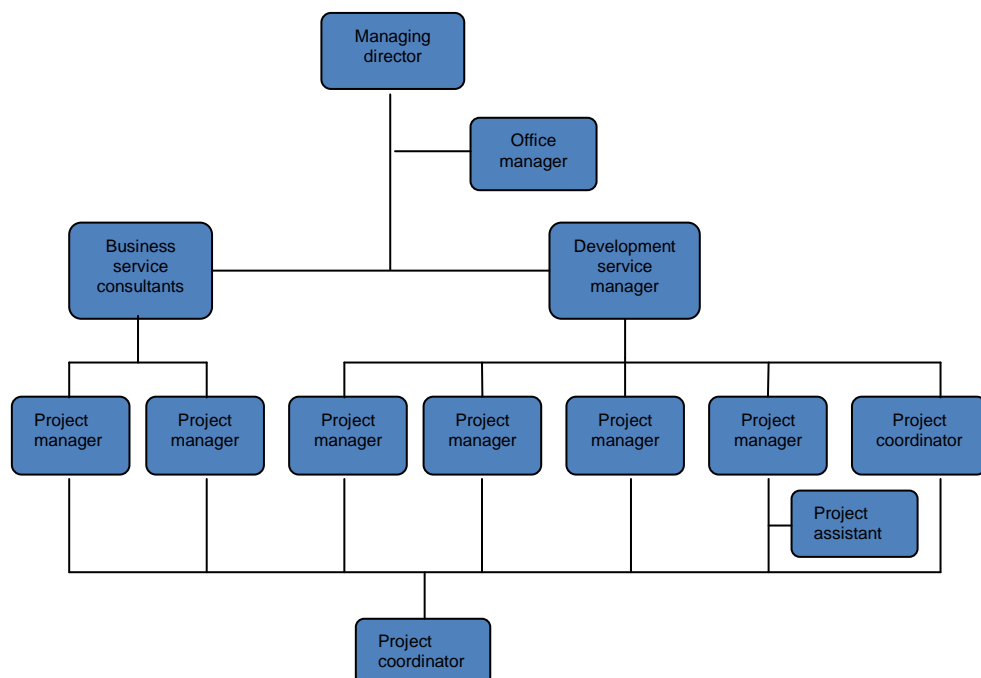Following table will show how the Vaske organize its business operation.

FIGURE 9 *Vaske's organization structure*

From the table of Vaske's organization structure, it can be concluded that Vaske is a small business organization, with limited numbers of employee (only 15), providing relatively small range but specific and qualified services. There is a Chief leader positioned as managing director, acting as a meeting point with the responsibility to satisfy host organization, employees within the company, and clients.

The original function idea is totally abandoned in Vaske, as we can observe from the figure above, there is nothing distributed by functions idea, such as marketing, production, accounting, HR, purchasing, etc. Rather than that, company divides its service into two orientations: business service and development service. Each one has several research topic studied in the unit of project. Currently, there are 6 projects operated to meet needs of clients and official. Majority of the project are organized only by one employee who naturally defined as project manager. However, two project coordinators served the whole organization, sometimes behave as a team member, assistant or messenger. It is indeed brought extra effort to project contribution. Therefore, project team sometimes builds up according to different stage of the demand. Employee gathered and tasked in the unit of project.

There is very low tie to the host organization (which here specific means shareholders), which is local municipality, only by necessary management and support from the managing director by periodic reports, that is every fourth months a year. The projects are mainly defined by two or three years, hired with well-educated specialists to operate. Those people work independently with little lead by managing director and little support by colleges. Working hour and attendance in work place is not necessary important to employer, as long as project productivity is acceptable and satisfying. From here, we can see a flexible working atmosphere.

Based on the research of different project organization types in second chapter, it can be concluded that Vaske can be defined as pure organization type. As it meet the characteristics of task oriented with the project, narrow service range, separation from parent organization, flexibility, and efficient. However, additional characteristic such as uncertainty, time pressure, and complexity will be discussed later.

4.2   Networking

Vaske act like a hub to transfer knowledge and service promises from partners to meet the needs of customer. Priority responsibility of Vaske is to provide business consultancy to clients. In addition, Vaske has wide cooperation networks to fulfill the needs from clients, which can be seen by the graph below.
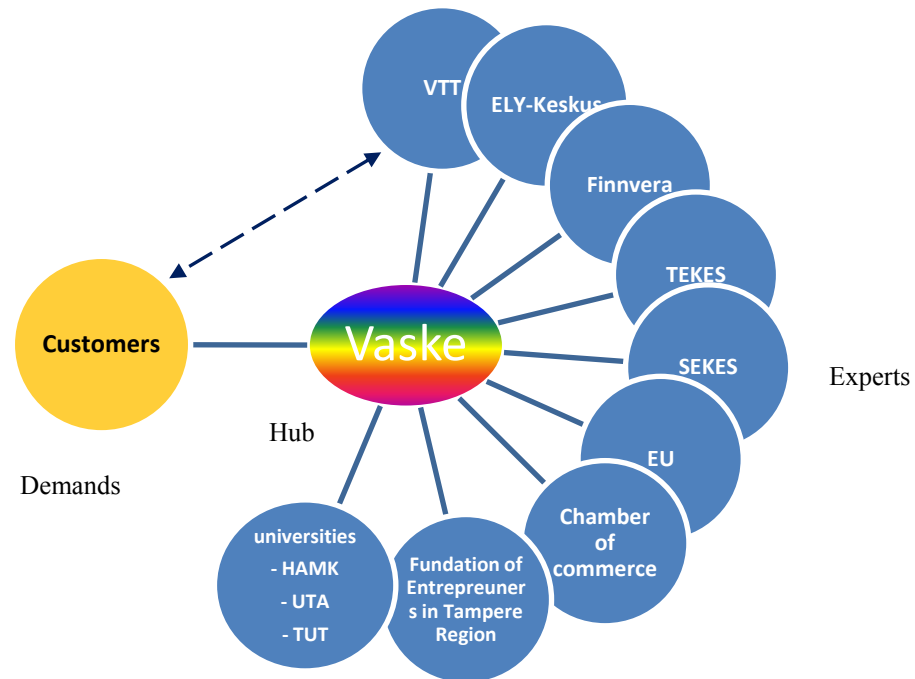
FIGURE 10   *Vaske's networks*

The customers of Vaske, which have been explained before, are mainly local SME-sized enterprises. They can be any kind of company in Southern Pirkamma region that needs guidelines, supports, feedbacks, or suggestions. And they can be at any stage of business, such as firm set-up, product & service development, outsourcing, domestic or international market expanding, and customers' fulfillment, etc. Here, what role does Vaske play is to provide reliable advice and consultancy from the expert internal ad external of Vaske.

Another responsibility of Vaske is to cooperate with experts regionally, nationally, and even internationally. Such experts are specified as llocal enterprises, training & research centres, agencies, and some universities, etc. As shown in the table following, associations include:

-   VTT (Technology Research Centre of Finland)
-   ELY-Keskus (Centre for Economic Development, Transport and the Environment)
-   Finnvera (a financing company owned by the State of Finland.)
-   TEKES (The Finnish Funding Agency for Technology and Innovation)
-   SEKES (Vaske's parent group)
-   EU
-   Chamber of commerce
-   Foundation of Entrepreneur in Tampere region
-   Hamk University of applied sciences
-   Tampere University of Technology,
-   University of Tampere, etc.

Vaske's responsibility is to network those associations, keep regular and good contact, introduce their expertise and resources formally and informally to customers so that to increase business opportunity. There has been a wide, stable, and profitable networks build up between Vaske and partners. Dozens of project and cooperation has met great success. For instance, Valkeakoski Campus, a campus for well-being, is a promising project which contributed mainly by Vaske, together with local authority, investors, educational institutions and universities.

In order to illustrate how network operating, here, gives one example. When a client reaches the Vaske by email request or face-to-face consulting, first step of Vaske is to communicate properly to understand its needs. Then, it is time to give feedback, for example, providing appropriate suggestions on how to do, who is able to deal with the issue, who should contact to. Afterwards, Vaske will contact potential favourable partner to deliver specific request. When the reply from the partner is positive, additional contact, such as conference will be conducted in near future, together both parties.

However, it is not always productive about the process; therefore, Vaske performs as a communicator and negotiator to promote business opportunity to its greatest. Furthermore, certain contact and network is essential to fulfill partner's interest, although it is demanding from employee point of view, especially project manager.

4.3   Bureaucracy

Bureaucracy means over-respect formality, rules and procedures, protocols. It arise problems of lack of responsiveness by staff, and lack of willingness to take responsibility. It normally exists in large organizations and government. (Wikipedia, 2010)

However, it was find out bureaucracy and paper work in Vaske's project management caused seriously problems. Bureaucracy is mostly negative to Vaske's operation, as it requires plenty of time and effort to make decision. There are even several core businesses are bureaucratic resourced.

This circumstance might be caused by public funding system. Every coin has two sides. On the other hand, it is understandable and necessary that shareholders and European Union would require special procedures and paper works, to ensure every coins of money worth spend. They are shareholders anyway. So the question is how to hand balance of bureaucracy and freedom of decision-making.

4.4   case project analysis

4.4.1   description of case project

As mentioned in earlier chapter, let's have a look at a case study project, in order to give further illustration to the topic. The case project 'VETO' aims to improve 'attractiveness of the South Tampere region'. The idea is to motivate potential inhabitants and companies to choose the Southern Pirkanmaa Region as w living and business destination. The southern Pirkanmaa region consists cities of Valkeakoski, Akaa, Kylmakoski, Urjala.

This project is funded by European Regional Development Fund. It started in autumn 2008, and will end in May 2011.

So far, the project has already achieved results. For instance, Housing Fair 2009 which aims to attract inhabitants to Southern Pirkanmaa Region was a great success. More than 140 000 people visited Valkeakoski.

4.4.2   Project team

In 2009, there were two people working in the project: a project manager and project coordinator.

The project manager joined Vaske in August 2008. Her main responsibility was to organize, implement, manage, and control the project. The beginning of any public project is like a firm start-up. The process includes planning, or in the case here, also defined as implementing the project plan; finalizing the budget, 'learning' the new operation environment and Vaske's business culture. As an outsider (coming from other region), networking with region's key persons from communes, companies, authorities, associations was important to the project manager. This is a typical Vaske's style that acting as business agent to maintain communication with variety of parities in order to explore business opportunity. Everyone knows that networking normally takes time. But it happened in a short timeframe as the entire project takes only 2.5 years time. However, doing lost of things in short time is also typical in the project world. And as a person with a long working history in similar takes, he/she has experiences to avoid causing any major mistakes.

Project coordinator joined the project at the end of the same year but in practice her work started beginning 2009. She had a one year contract and the idea was to share the exceptionally hard work load of the 2009, intensive year of Housing Fair.

Her responsibility was to mainly assist project manager in the administration and day-to-day running matters. She was also supposed to replace the project manager in certain task. It was planned that she will be responsible

for areas where she is qualified, such as training. In the spring 2009, sessions of training was arranged to local SMEs serving Housing Fair guests.

4.4.3 Productivity of the project team

The team was built up not in the beginning of the project. Concerning about that reason, longer time might needed to achieve good teamwork effectiveness.
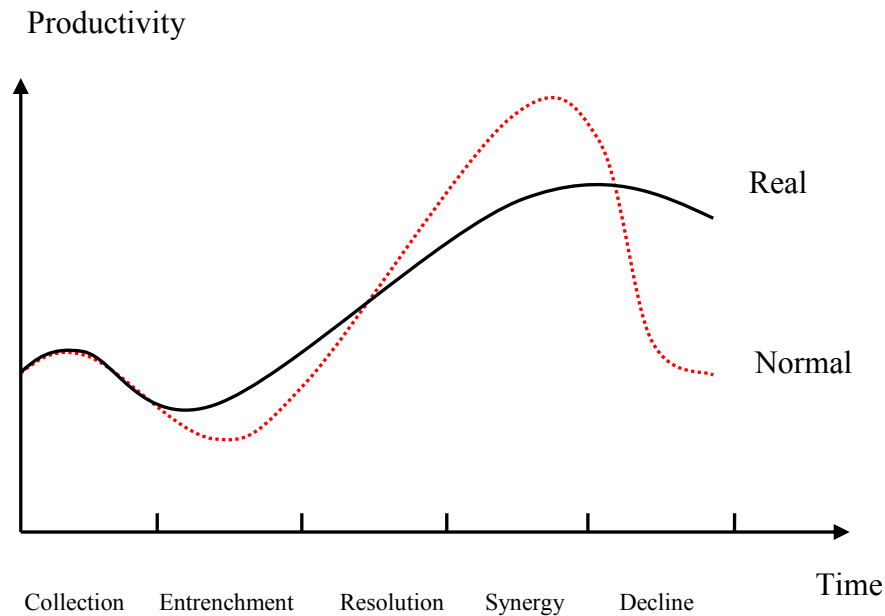
Productivity

FIGURE 11   *Lifecycle of 'VETO' project*

It doesn't make any difference if somebody joins the team early or late. Everybody needs his/her briefing and learning session to get started. It is of course easier to work efficiently from the very beginning if you are able to participate as early as possible and be involved in the planning stage. In the project organization, it is required to adapt quickly what it is about.

In this case, the learning process of the project coordinator came late a little bit. However, she had the advantage of having worked in another project of the same organization and it didn't take so much time for her to get involved. In her earlier project she worked independently. In addition, she is experienced in training business.

Entrenchment stage is relevantly difficult. It is always challenging when people don't know each other but has to start to work together. As mentioned before, in this stage group member might begins to find out which my territory of issues to stand for; is it necessary to change working style from independently to cooperatively; how to share responsibility and authority; which communication way is appropriate, and so on. It is a common sense that this could happen in any kind of organization. Teamwork matters about how people bring together to learn each other's working

style. It also makes differences on how high individual motivation is while applying for this job.

The project had leading experiences before and she represents a Coaching style (S2). However, the project coordinator trends to prefer a combination of Supporting (S3) and Delegation Style (S4).

The key questions are:
- How to adapt a cooperative style instead of individual style?
- Which interactive communication style to choose?
- How are the responsibilities shared?
- Who is entitled to make small daily decisions?
- How does the reporting take place?

If these things are not clearly agreed, it takes more time for a team to work at best.

In addition, it is also matters about mutual trust, respect and communication before a maximum productivity and harmony in any project.

4.4.4   Issues of managing the team

Managing people in a project organization is also challenging. By review of four types of leadership characteristics, the project manager has a coaching managing style. She trends to maintain continuous communication not only with project coordinator but also with the whole organization, and expects interactiveness from others accordingly. She is task-oriented and highly concerned of the result and deadlines. As we can see, the schedule is tight, especially before the Housing Fair.

In this case, the coordinator expects more support than the manager ever imagined. There are also some tasks that she preferred to do alone without interfering or communication.

At the end, we suggest that the project organization should carefully select what kind of people make the best possible match. At least it is recommended, if possible, to recognize different working style in advance. This is beneficial to everyone and will directly influence final result.

4.4.5   Culture implications

Finland is a country with low power distance and weakly lower uncertainty avoidance. Therefore, the organization working culture has an obviously influence on the teamwork and leadership management of the people.

As far as I observe from the interview, and previous internship in the company, there is a sense that it is very flexible to work in the company. People don't necessary to stay in the office with exactly working hours,

but rather emphases on the outcome and achievement of what you have done. However, clear rules are appreciated in Vaske as well, as people stick to procedures and structures. Negatively influenced by the fact that Vaske is partly owned by local municipality, certain structure is vital to keep. When considering about decision-making, it is quite annoying to have bureaucracy. Great demand of paperwork is required by the funding bodies, such as report, documents, memos Etc. project manager has to deal properly with the bureaucracy, in case to deal with the delay in decision-making.

4.4.6 Vaske's organization culture

One more point worth to mention is cultural influence on the leadership. Explored Vaske's organization culture, it can be concluded that Vaske has 'Athena' culture. It is mainly task-oriented. Specialists and experts are gathered with a common purpose: to fulfill requirement of variety of projects. Positively, this kind of organization is innovative, exquisite, and dynamic. Considering about educated employee, ordinary leadership is not practically suit for Vaske. People will expect greater empowerment, and employee involvement, and trust. Maybe supporting or delegation is more appropriate in the Vaske.

5 QUESTIONNAIRE ANALYSIS

5.1 Method to research

An online questionnaire was sent to employee who working in Vaske, including full-time and part-time, regarding on the topic of project work, and general HR issues and leadership. The objective of the survey is to find out what is currently situation of project contribution in Vaske, and how is general HR situation, what kind of leadership problems occur concerning on project work. Additional email interview which focus on one specific case study were applied to explore the topic in more depth.

The questionnaire was implemented on the Formdesk, an online Forms Management system: http://www.formdesk.com/. First of all, a cover letter to explain my purpose of the email and questionnaire link was sent to the recipients, it also reminds the deadline. 8 days later, a second email was sent again to remind people about the deadline. Finally, it closes the online reception availability.

The survey took 10 days. It was sending to 15 people, as that is the number of Vaske's employees, and it achieves 11 respondents. The result of targeting number is satisfying, with 73 percent of respondent.

The questionnaire consists of 25 questions; with majority are multiple-choice questions, some numeric questions, and few dichotomous closed-ended questions and open questions. The feedback is anonymous.

5.2 Reliability of the resource and information

However, concerning about limited number of recipient, it doubted about reliability of the feedback. Thus an extra questionnaire analysis to another organization was conducted. The questionnaire was sent to Automaint. Whereas, Automaint is a researching and development center of HAMK, that is project based and organized. The situation is generally similar to Vaske. In addition, it is part of HAMK's unit, would be relatively convenient to get reliable resources.

By doing such, analysis of questionnaire would be relevant neutral and universal, which make it more practical to apply a general understanding.

The process to implement questionnaire in Automaint is supposed to be similar with that in Vaske. Emails were sending, with online questionnaire link. Formdesk was introduced to collecting data, and evaluating the feedback. However, as some difficulties, it was later changed to offer a paper questionnaire.

12 respondents are reached by paper survey, out of 25 potential recipients. The questions of questionnaire has been revised and reduced, considering cooperation of respondents.

5.3 Questionnaire analysis

Regarding to some extra questions on the interest of the author and company, it was not going to give full illustration of every single answer.

First question is to evaluate what is employment contact variety. By analyze the feedback, it enables to understand are the people in Vaske working part-time, permanently, or defined specific years.
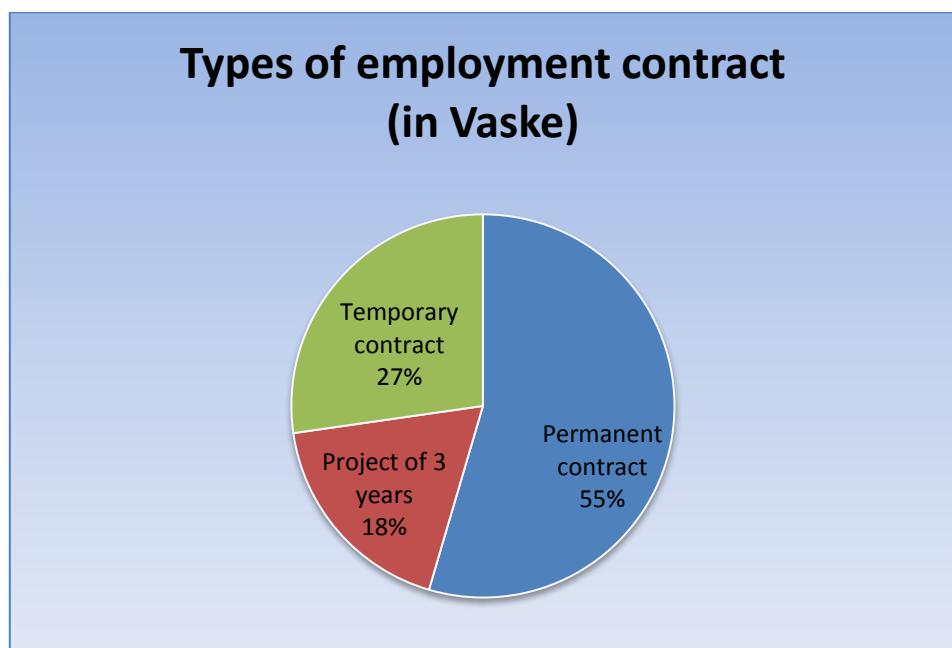

Types of employment contract (in Vaske)

- Temporary contract 27%
- Project of 3 years 18%
- Permanent contract 55%

FIGURE 12   *What is the type of your employment contract?*

Over half of the employee has permanent working contract, which account to 55 percent. However, the rest of people are working temporary, with some (27 percent) has temporary contract and a minority of people (18 percent) has project contract of 3 years. Those people feel working uncertainty, thus they don't have much job security, and company loyalty and motivation is not clear enough to make very good productivity.

The second question is 'how did you get employed in the project'. This question is to understand project manager selection. As written earlier theory part, in some cases, project manager or team member is transfer from one project to another within the company.

How did you get employed in the project? (in Vaske)

- 0%
- 20%
- 80%

- Through job interview
- Through previous business contact(Vaske is a partner of previous employer)
- I moved from other project within the company
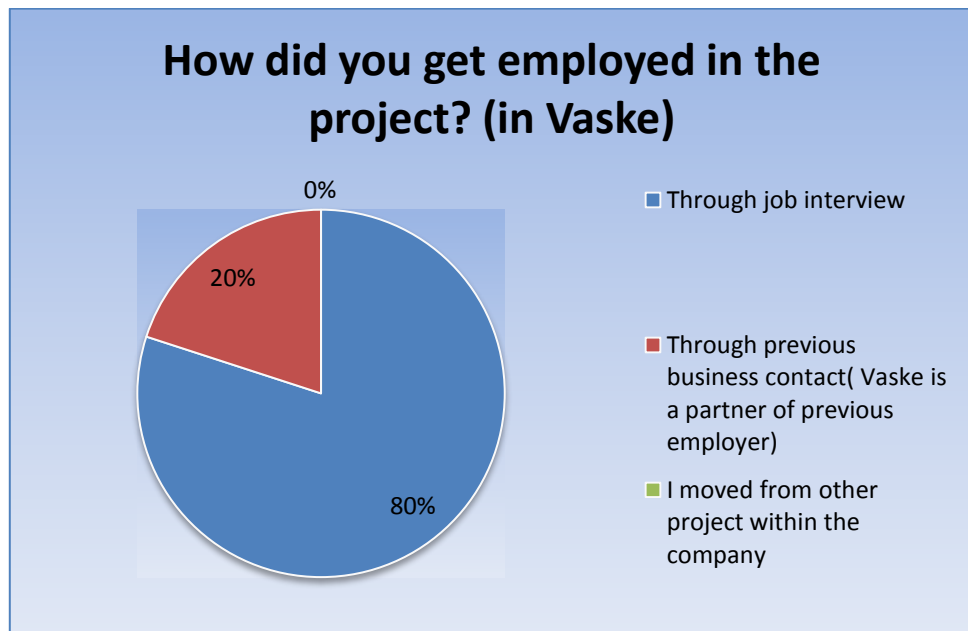
FIGURE 13   *How did you get employed in the project?*

Most of the employees (80 percent) were selected through interview, which we can see that job interview is still an efficient and reliable method to choose right project manager in regarding to different demanding of stills and competence. Few people (20 percent) are introduced by previous business contact, which means that Vaske is a partner of previous employer. Interesting enough, nobody declaim that he/she was lucky to be transfer from other project or be promoted to be project manager. I assume that that might be because of small number of projects running the company, with each different topic, so the possibility to recycle the human resource is considerable low.

By interview of the research manager of Automaint, it is clear that majority of employees in the organization are employed by job interview, however it is more like internal selection. The candidates are mainly from

HAMK University of applied sciences. This is because Automaint acts as a work placement offer to assist students to adapt to business environment.

Third question is to investigate how the situation of beginning stage of the project is, do they adapt to new project, scratch the purpose of the project easily or not.

FIGURE 14   *How long was needed to get familiar with your project responsibilities?*

Some people (44 percent) think they required 1 month to understanding project objective and job responsibility, which is relatively long. However there is minority of people think 1 week is enough, account to 22%. Others suggest that 2 week is proper time.
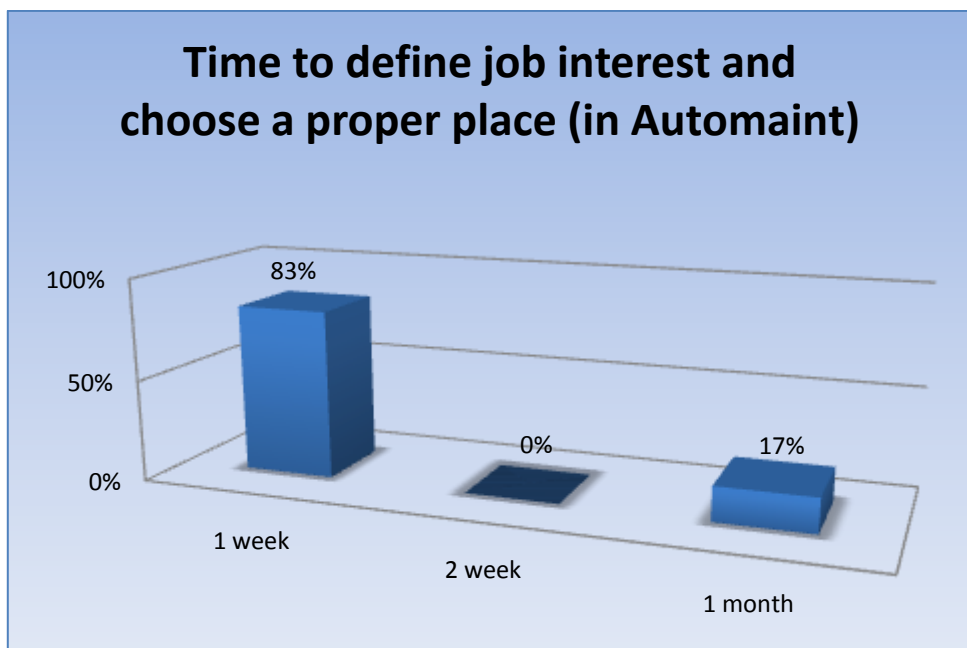
FIGURE 15   *How long was needed to define your job interest and choose a proper place in Automaint?*

From the figure above, employees in Automaint is far easier to understand job interest and job responsibility. As it shown a clear majority of people (83 percent) think 1 week to enough to choose a proper place in the company. Comparing to Automaint, Vaske makes its project adaptation a bit harsh for people to obtain the main idea, as stated normal time of 1 month. Concerning about reason, it might because Vaske's business operation is more complex, more practical, required stronger promises.

Next question is to ask how long it took to adapt company's culture and feel harmony. This is to check out does the organizational culture can be easily and practically applied from employees' point of view.
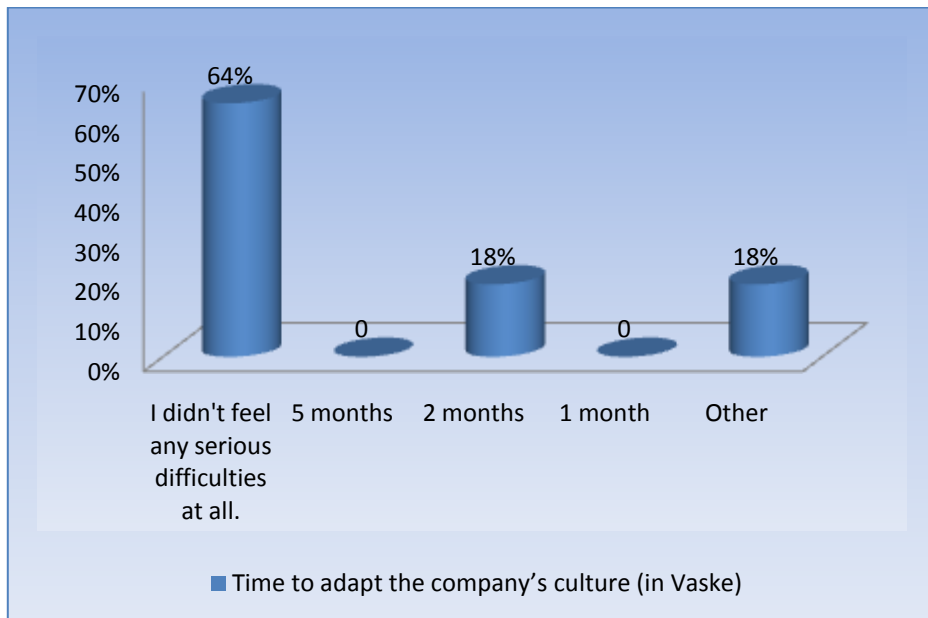
FIGURE 16   *How long does it take to adapt the company's culture and feel comfortable with the organization?*

Majority of employees feels organization culture is goods and practical, as 64 percent of people said that they didn't feel any serious difficulties to live with Vaske's culture. Eighteen percent of respondent said 2 months to adapt new working culture.

Fifth question is to examine project orientation, and to understand is it really necessary to offer some recruitment and training in the project start-up, since it is very demanding in the beginning, project manager might need extra help. And it is also to find out what kind of topic is crucial and interesting.
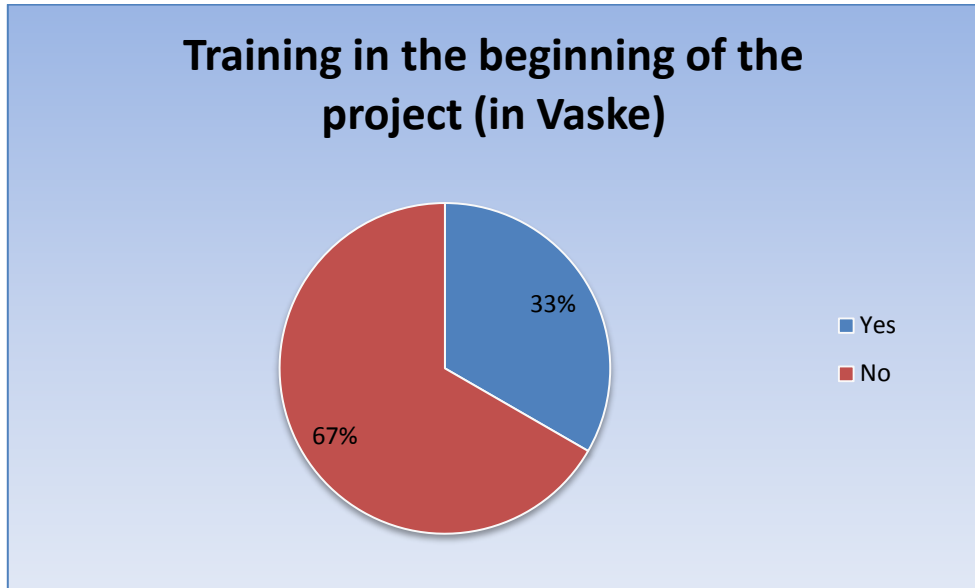
FIGURE 17   *Do you receive any training in the beginning stage of the project?*

Majority of employee didn't receive any training in the beginning of the project, specific with 67%. Only several employees receive additional training. By further depth, it also makes blank answer for employee what kind of training they wish to learn. Some suggest financial administration, other wishes to promote marketing skills.

The sixth question research on the effectiveness of project work. As clear objective is one important indicator to evaluate the work.

FIGURE 18   *Was there clear project objective set up in the beginning of the project?*

Enough respondent provide positive feedback, account to 56%. Others think there is still something could be improved on the target of project. Several people (33%) think they have to redefine the project objective by him/her.

The seventh question is to investigate how negatively bureaucracy affects the decision-making. As explained before, Vaske is a public agency sector mainly owned by local munipalities, therefore government force and standard have certain impact on the company's operation. This question is to understand how serous the bureaucracy influences the project implementation.
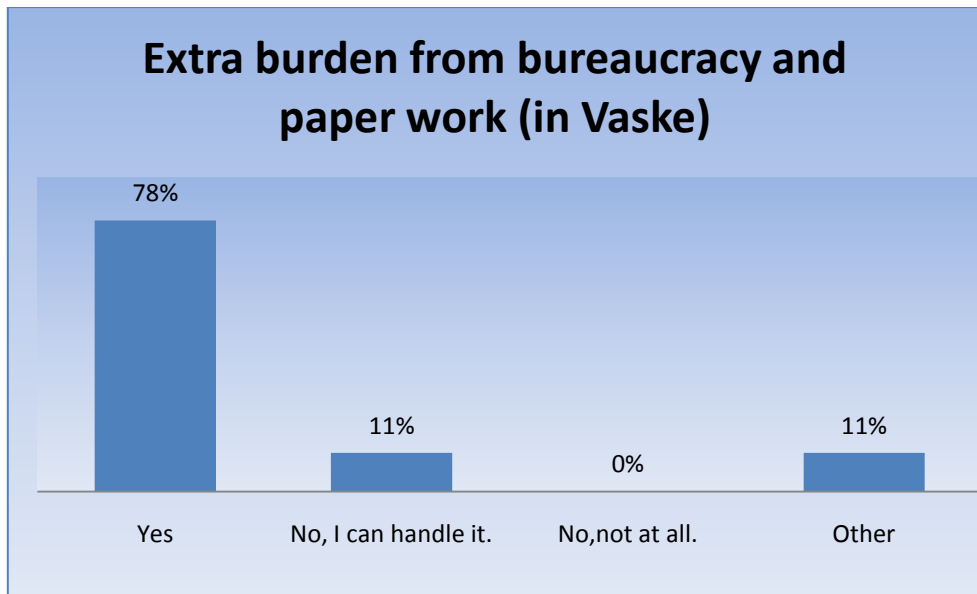

Extra burden from bureaucracy and paper work (in Vaske)

- 78% — Yes
- 11% — No, I can handle it.
- 0% — No, not at all.
- 11% — Other

FIGURE 19   *Do you think bureaucracy and paper work in the project management and decision-making caused extra burden?*

A lot of respondent (76 percent) think bureaucracy makes strong trouble in project management and decision-making. Only few people think it is ok to have certain bureaucracy, as they can handle it by themselves.
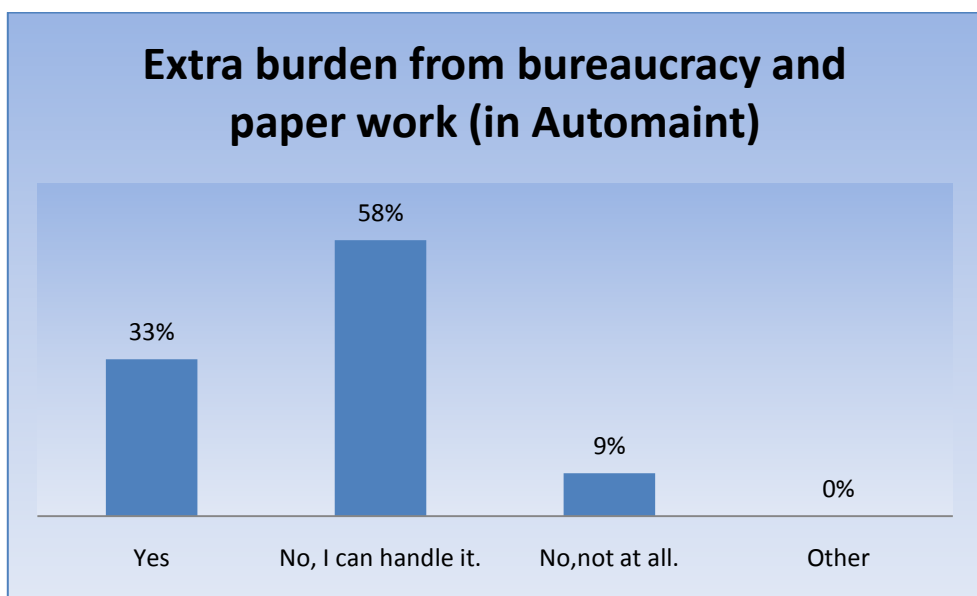

Extra burden from bureaucracy and paper work (in Automaint)

- 33% — Yes
- 58% — No, I can handle it.
- 9% — No, not at all.
- 0% — Other

FIGURE 20   *Do you think bureaucracy and paper work in the project management and decision-making caused extra burden?(Automaint)*

A little bit different from the situation in Vaske, there is not so much extra burden raised by bureaucracy and paper work. Over half of employees (58 percent) said that they understand certain bureaucracy and they can totally deal with that. However a number of people think it is annoying to have bureaucracy. Considering about what people think in Vaske, bureaucracy is not a big issue in the project work of Automaint. On the other hand, it is recommended for Vaske to reduce bureaucracy and paper work, as studied from the feedback, it is really extra unnecessary trouble and reduce work efficiency.

Next question is to estimate productivity chart of the project. As majority of the project in Vaske are planned as 3 years, it illustrated in below table with time- years.
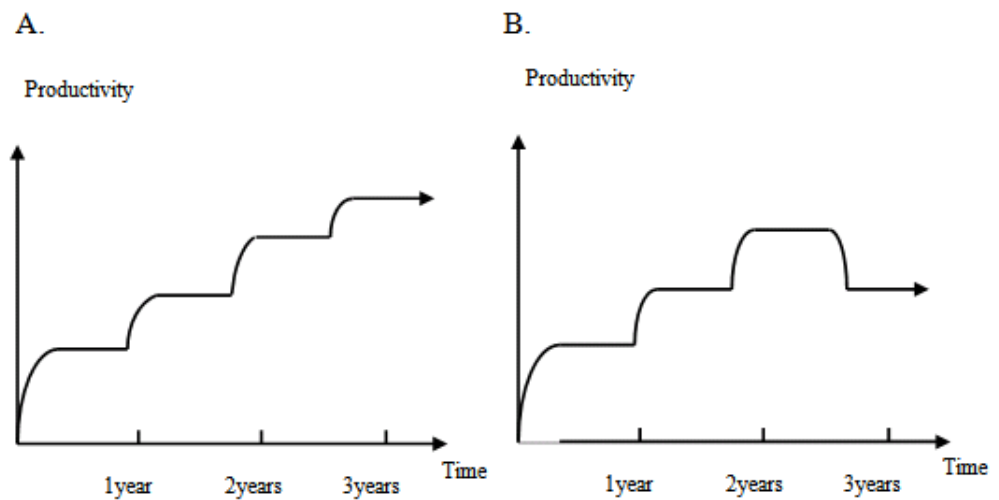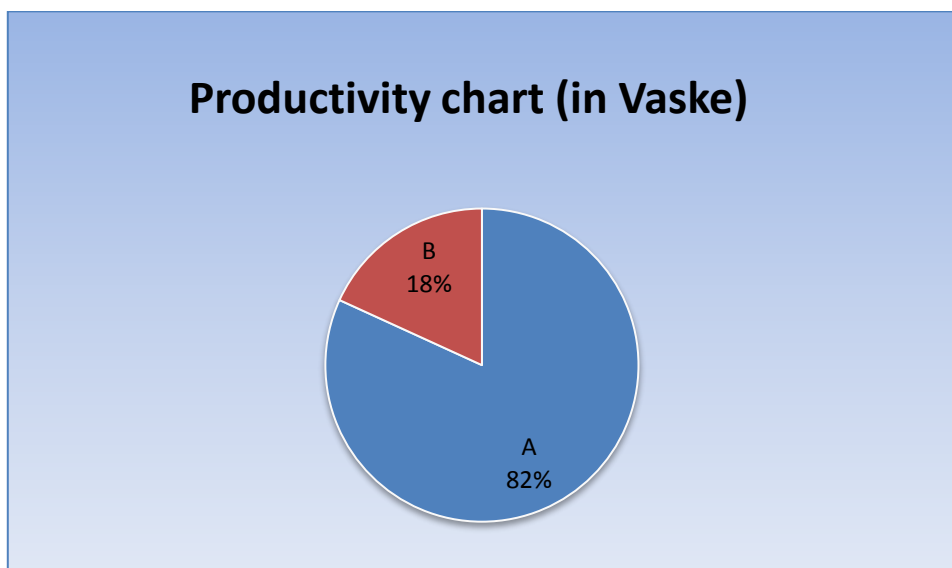

FIGURE 21   *Project productivity*

FIGURE 22   *Which productivity chart suits your case?*

Most of employees (82 percent) review their productivity continuously arises in different stage of the project phrases, which is shown in Chart A. The productivity gradually grows to a new level when the project moves from previous stage to next, and maintains to stay. But it gradually increases again when next project stage arrives. Nevertheless, a minority of people (18 percent) choose productivity Chart B. As a matter of fact, chart B is similar to project lifecycle productivity chart. There is relevantly low outcome in the beginning of the project, however it gradually increasing as the time ongoing, because they have know-how to the topic and have basic and additional skills and tools, all the required competences seem to be ready. So that there is a take-off of the productivity and will reach its peak after passing middle of the project. But it seems to decline at the end of project, concerning the reasons of extra paperwork burden, bored of the task, and lack of motivation.

In Automaint, 75 percent of people choose productivity chart A, as they think their project productivity is continuously improved stage by stage. However several people (25 percent) choose chart B. The situation is almost similar to Vaske.

The ninth question is to evaluate motivation level of the project work in different stage of project lifecycle.
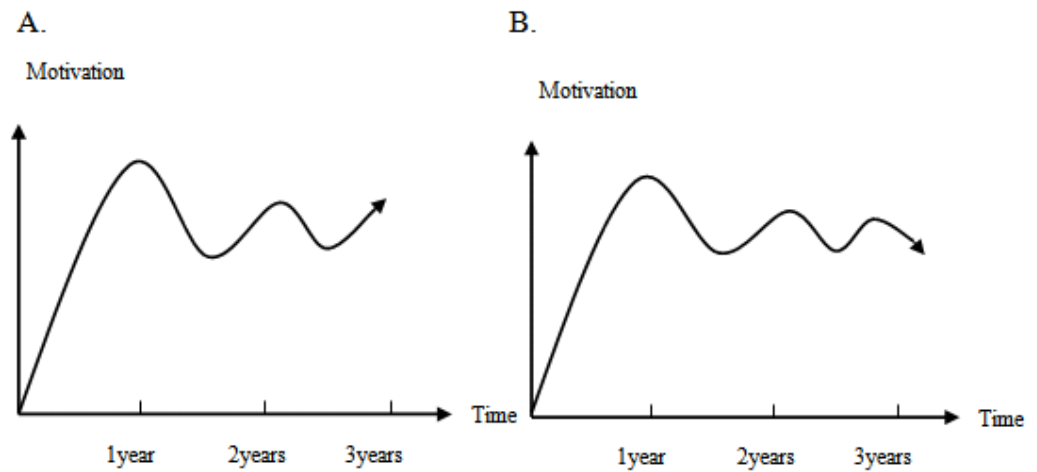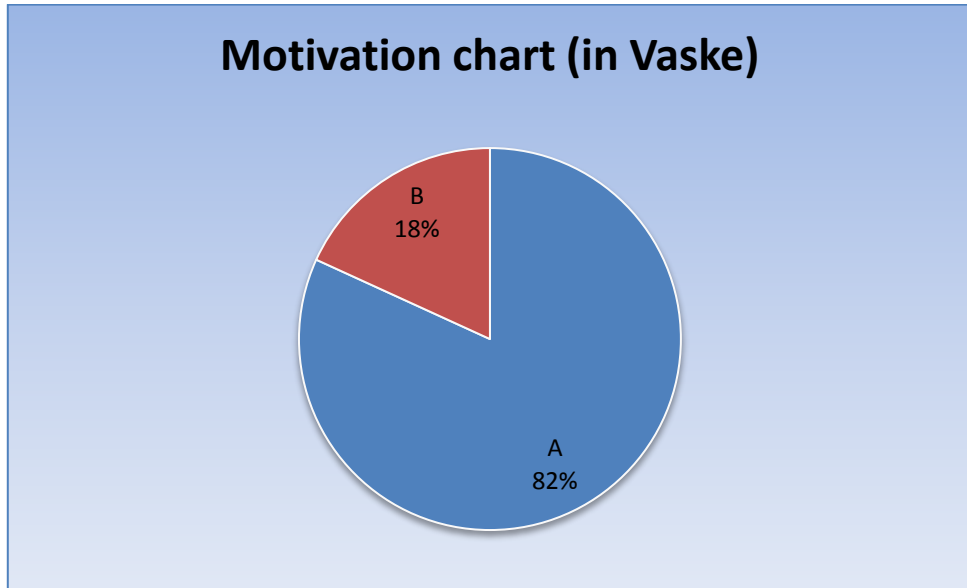
A.

B.

FIGURE 23   *Project motivation*

FIGURE 24   *Which motivation chart suits your case?*

A clear majority of employees (82 percent) think their motivation curve match with fluctuation curve A. It can be seen from Curve A that motivation remarked increase in the beginning of the project. As it always true that people have high sense of motivation and desire with the expectation to achieve great target. There is a good vision in the further to motivate employee to devote to their work. As well, company may have a warm welcome to the new employee, which all rewards a rapid increase of motivation. However, when the motivation achieved certain peak, it trends to fall slightly. This is might because of getting bored of task, unchallenging project, no or low pressure from the top management, enough time to fulfill commitment, etc. It is an extremely important stage for the company to use certain motivation tool, because if it handles properly in this phase, motivation will remarkable rise again. Many employees in Vaske think they receive proper motivation, so that it is fairly normal to maintain motivation in certain level, although there are few slightly fluctuation in the curve. Finally, when getting close to the deal of the work, most of them (82 percent) declaims that motivation will increase again. In regards to the reason, it might because they have good commitment to project and the company, as a result they working harder to ensure the outcome is acceptable. Several people (18 percent) think slightly different about the final work of the project. In their point of view, motivation level has a small drop by the end of the project. Concerning reasons to that, it may be caused by employment working contract. As studied earlier, a number of employees are working temporary in Vaske. Therefore they might feel depressed and uncertain about future, such as whether there is possibility to extend the contract with Vaske or not. Consequently, employee might don't have enough high motivation to perform better. Anyway, they are even unsure whether their working performance is appreciated by the company or not.

In Automaint, some people (58 percent) think motivation chart A is more suitable to describe their motivation level, as they think their motivation is upraise by the end of project. However a number of people (42 percent) think their motivation are likely going to decline by the end of project a little bit. That's might be also mainly temporary working contract worker's point of view.

The tenth question is to make employee self-evaluated on their working performance.

Satisfation of contribution (in Vaske)

70%

10%

10%

Yes

Not really

No, definitely I
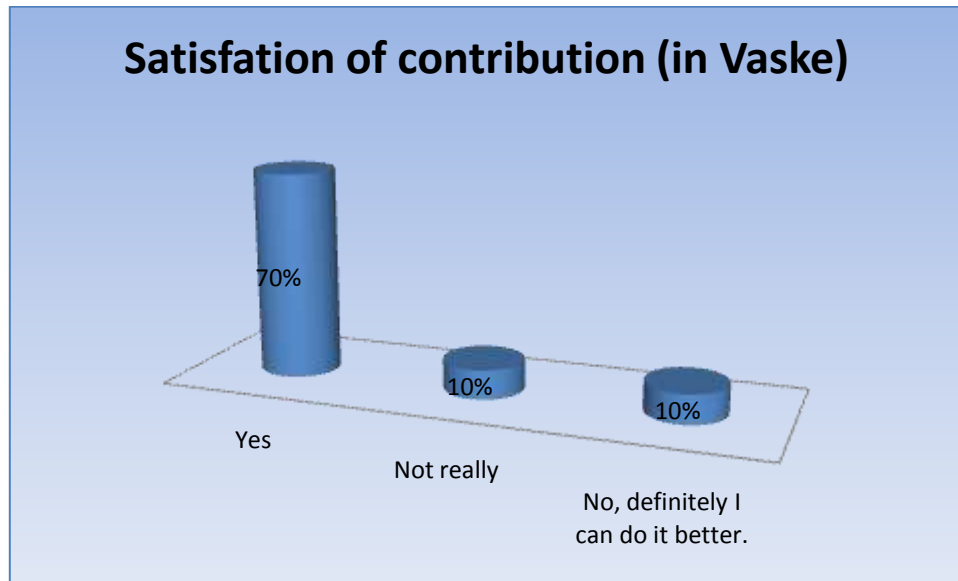can do it better.

FIGURE 25   *Are you satisfied with your contribution?*

Many of employees (70 percent) think their contribution is satisfied. A few (10 percent) think there is something can be improved in future. Only few people (10 percent) are disappointed by their contribution, and think they can definitely do it better if have a second chance.

The next question is to evaluate communication effectiveness. Communication should be supportive by top management to make information flow smoothly fluid.

FIGURE 26   *Do you feel comfortable to communicate with the managing director?*

The feedback concerning this question is quite positive. A clear majority of people (73 percent) feel it is convenient to communicate with the managing director. A few even think that managing director is very approachable and helpful, as his door is always open to every employee. Several other employees (18 percent) provide neutral answer.
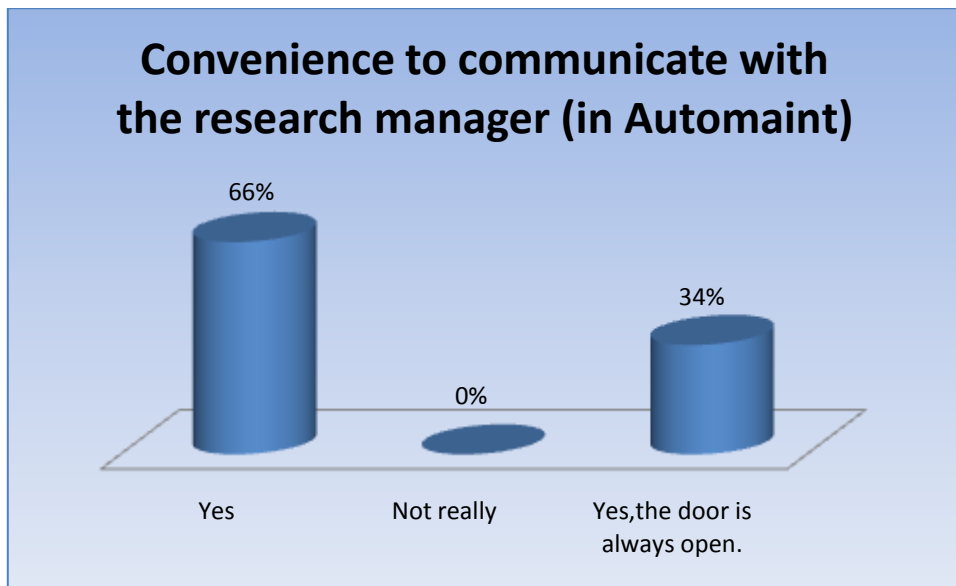

FIGURE 27   *Do you feel flexible to communicate with the research manager?*

In Automaint, nearly all of people (66 percent) think it is flexible to communicate to the research manager. Even with 34 percent of employees appreciate this communication convenience, as they said the door is always open to their questions and difficulties. This is same with Vaske, therefore

we learnt that in project organization, open and flexible communication is always appreciated.

The twelfth question is to find out communication situation between colleges, how frequently they talk each other.
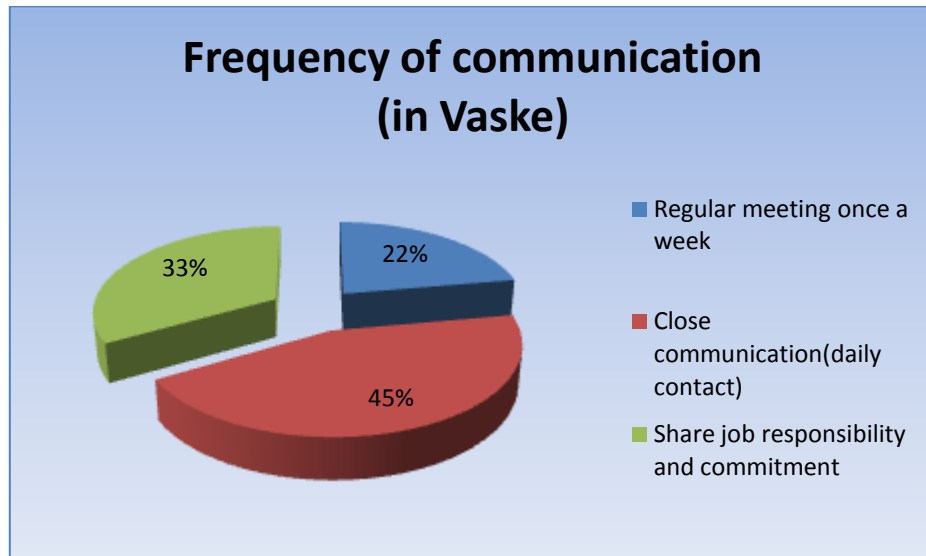

FIGURE 28   *How often do you communicate with other team members?*

Maintain good contact with colleagues is still essential. As we see from the pie chart, majority of people have regular communication with other team members. Some people (45 percent) prefer close communication which means daily based. A minority (22 percent) like to communicate in regular meeting, for example once a week. However, several employees (33 percent) don't like communication so much, rather than sharing job responsibility and work commitment, so that I can take care of my business, and you take your own.

The thirteenth question is to evaluate how easily to get extra help from colleagues by informal communication. The feedback is satisfying, as Vaske give a general 4.09 (out of 5) to the effectiveness of informal communication. For instance, coffee break or casual greeting is every important to the company, as it will offer employee the opportunity to know what is happening in Vaske and enable to express some worries or complaints. It helps the manager to improve decisions as well.

The fourteenth question is still evaluating communication efficiency between colleagues.
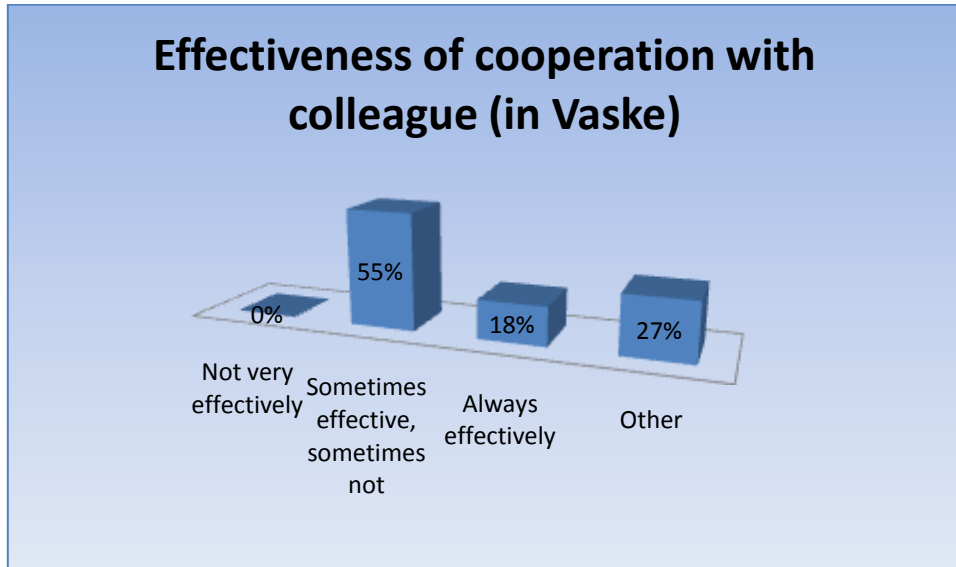
FIGURE 29 *Do you cooperate effectively with your colleagues?*

Some respondents (55 percent) think communication result is acceptable, as sometimes is effective, and sometimes not. Only a minority of people think it is very effective, as it seems convenient to get reliable resource and help from colleagues. Others (27 percent) think communication should be promoted by both parties.

Next question is to search possible solution to improve communication. Some suggest that electronic notice board in the company intranet would be a great idea to increase convenience. Other offer includes regular communication.

The sixteenth question is to try to find solutions to improve communication within and external the organization, with what kind of tools or methods is useful to promote social networks.
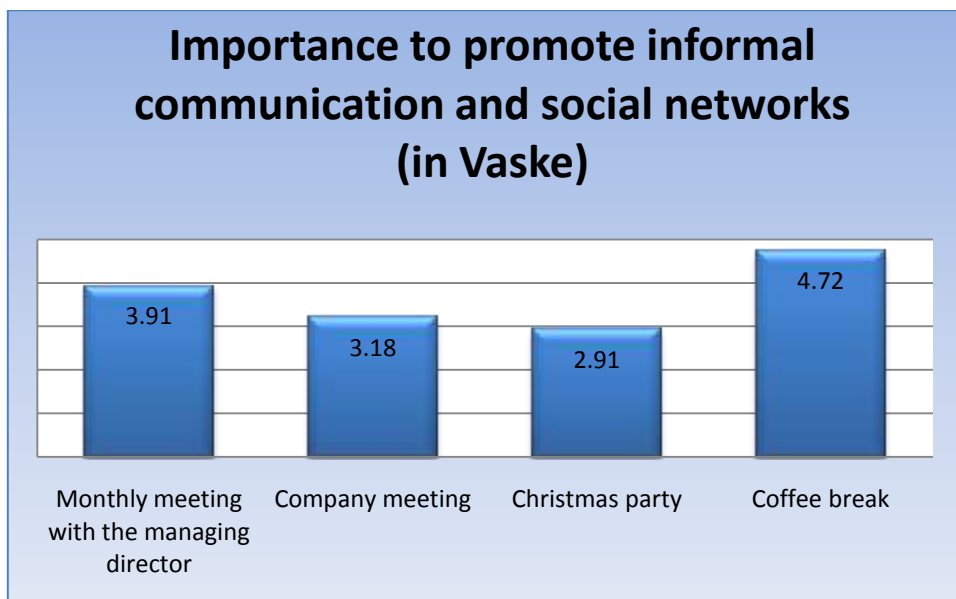
FIGURE 30   *How do you think it is useful to promote informal communication and social networks? Give your opinion by scale the number from 1 to 5.*

From the figure, we can see that the most important tool is coffee break, scaled by 4.75 (out of 5). Most of employees use that to greeting each other, having a small conversation, sharing information on how my project going so far. Some even share additional information to the manager at this time to seeking a little help. Monthly meeting with the managing director is likely to be helpful as well, scaled in 3.91. As in that meeting, employees have private conversation with the managing director to talk about situation of their project and difficulties, so that managerial supervisor could provide considerations or suggestions to help the people. Company meet (3.18) and Christmas (2.91) party are less important as previous solutions. I assume that is because lack of regular and table contact with others, the applicability declines.

Importance to promote informal communication and social networks (in Automaint)

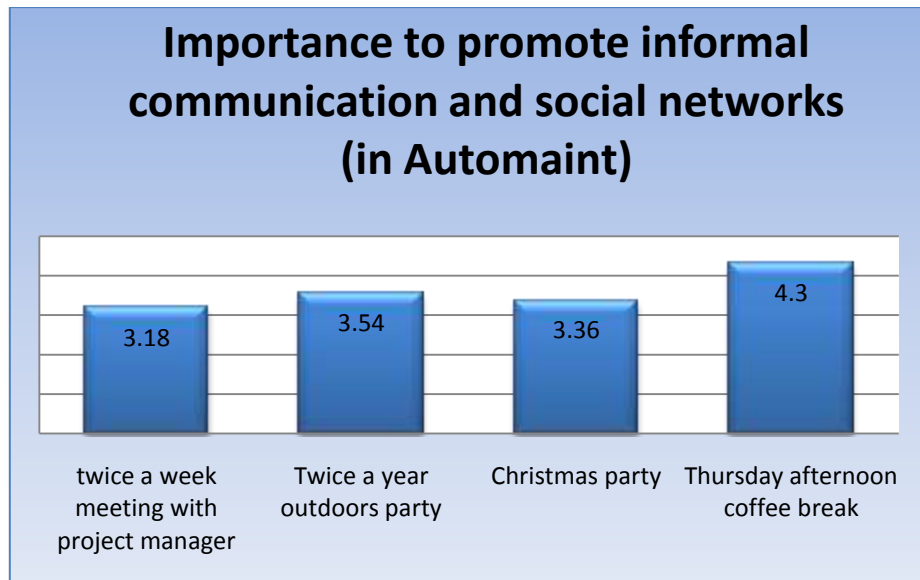| twice a week meeting with project manager	Twice a year outdoors party	Christmas party	Thursday afternoon coffee break
3.18	3.54	3.36	4.3

FIGURE 31   *How do you think it is useful to promote informal communication and social networks?*

Coffee break is crucial communication tool to improve social networks between colleagues. As it appears that Thursday afternoon coffee break in Automaint scaled 4.3 (out of 5). In addition twice a week meeting, twice a year outdoor party, and Christmas party are also useful way to develop social communication.

The seventeenth question is to evaluate problem-solving process in the project practice. When the problems come, when is time necessary to communicate to the higher managerial level?
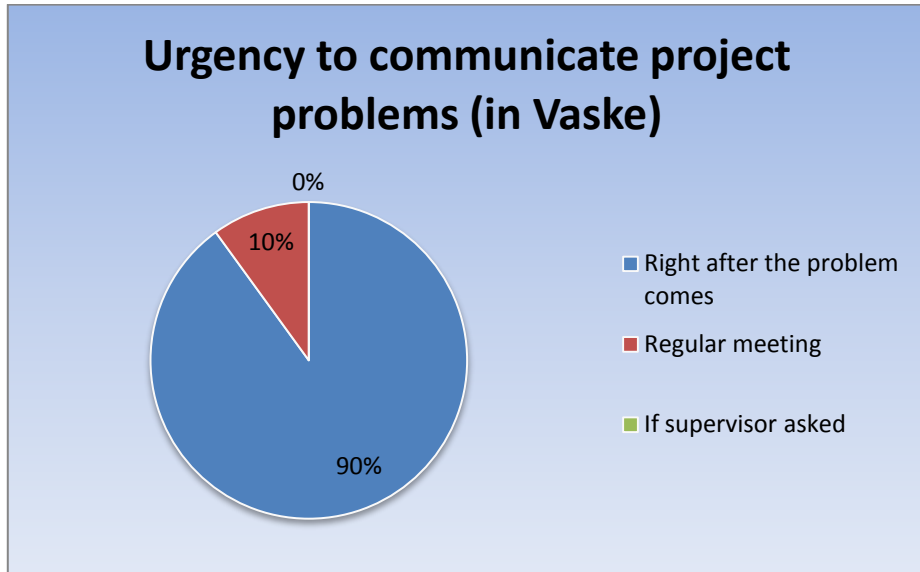
Urgency to communicate project problems (in Vaske)

0%

10%

■ Right after the problem comes

■ Regular meeting

■ If supervisor asked

90%

FIGURE 32   *As an experiences project manager, at which stages you would communicate your problems of the project to the supervisor?*

From the chart above, problem communication and solving is efficient. Nearly all of employee (90 percent) will report their problems of the project right after the problem occurs. Only few people (10 percent) would like to wait until the monthly regular meeting, however it is also reasonable to think about possible solutions before talking to the supervisor. Nobody takes negative reaction to the issues, only reporting if the supervisor asked.
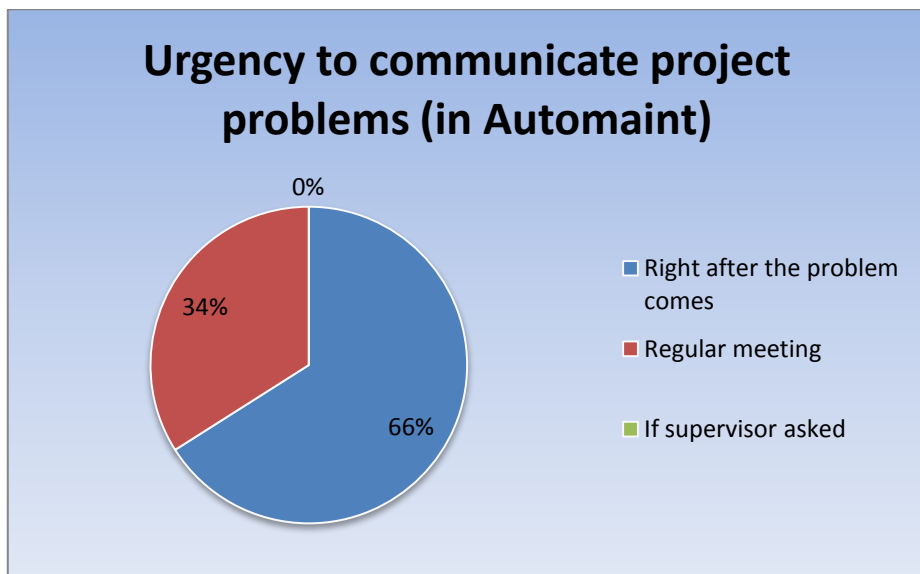
Urgency to communicate project problems (in Automaint)

0%

34%

■ Right after the problem comes

■ Regular meeting

66%

■ If supervisor asked

FIGURE 33   *During project work, at which stage you would communicate your problems to your supervisor?*

Comparing to Vaske, employee in Automaint trends to reduce communication urgency to supervisor, as a number of people (34 percent) will wait to reporting problems until the regular meeting. Someone declaims that if

there is a big problem, they will talk to the supervisor immediately. However, if the problem he/she failed to handle, they have to report in the regular meeting. Still lost of people (66 percent) will report right after the problem come. Vaske is more professional to handle problems and challenges, as they don't trend to hidden-the-truth. In an open communication environment, Vaske is able to react rapidly to dynamic external changes.

The eighteenth question is to explore suitable leadership strategy in the organization. However, leading people is very personal thing; one method can be possibly not applied in another. The objective of this question is try to understand people's sense and preference, what kind of style they like, so as to provide a proper suggestion.
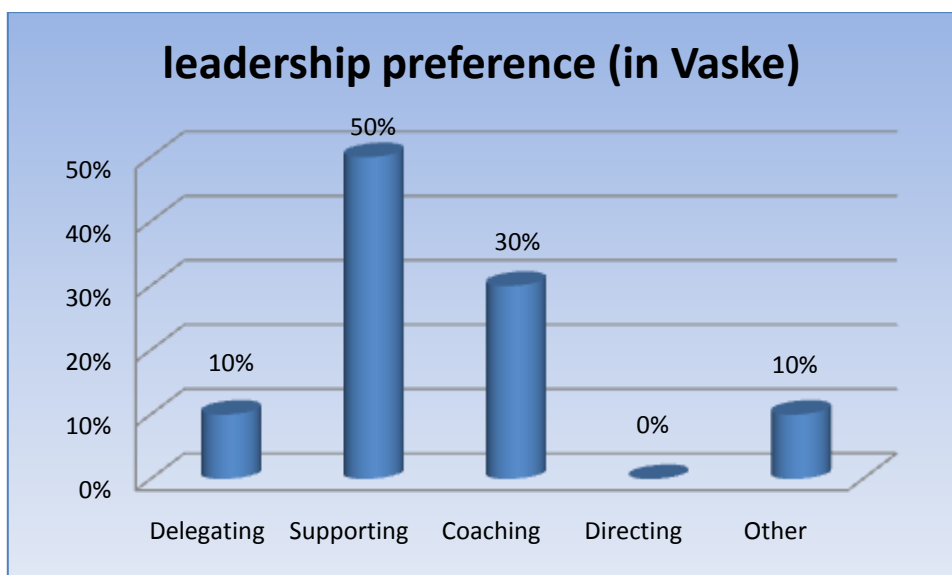

FIGURE 34   *What kind of leadership do you prefer in Vaske?*

A lot of employees (50 percent) like supporting, as described of receiving supportive feedback from the supervisor, however with certain power of decision-making. Several people (30 percent) prefer coaching style, defined as good communication between the supervisor and subordinates, good outcomes of the project and proper supervision. A minority like delegating leadership, which is a bit challenging for Vaske, because employee should be well-capable to receive complete decision-making power. In addition, there should be good trust between the two. However, considering about real situation, Vaske involves bureaucracy sometimes, which make it rather challenging and impossible to explore delegation without certain position authority in the company.
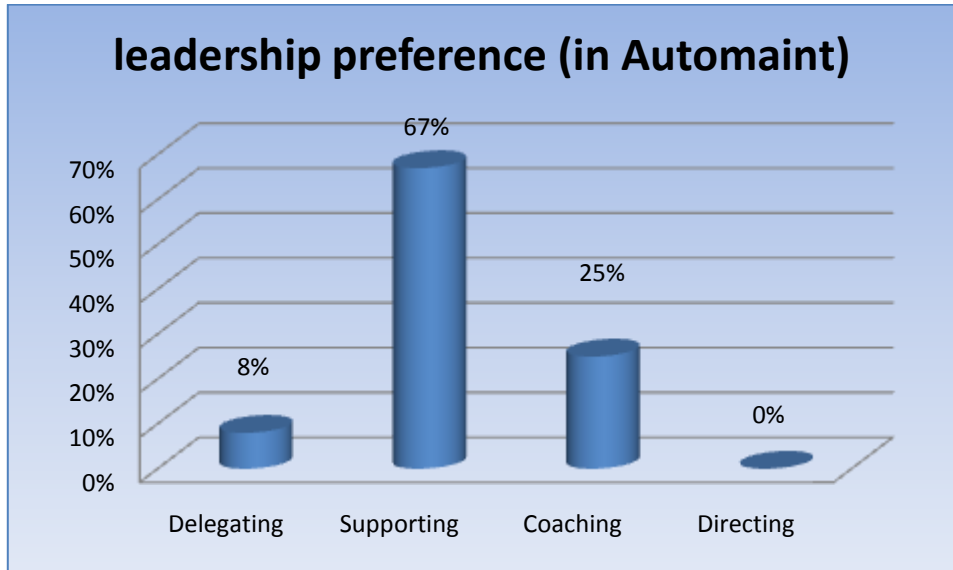
leadership preference (in Automaint)

FIGURE 35   *What kind of leadership you prefer in Automaint?*

Again in Automaint, we asked same question of preference of leadership style. As Vaske, Many employees in Automaint (67 percent) like supporting style, which means could receive supportive feedback when problems come. A minority (25 percent) like coaching style. Only few like delegation. This could provide manager a feedback to see what kind of leadership is suitable in each organization and project team. Only by choosing or training proper leadership skills, leading a project group becomes easy.

The nineteenth question is to understanding how employees feel about Vaske's organization culture, is it positive or negative.
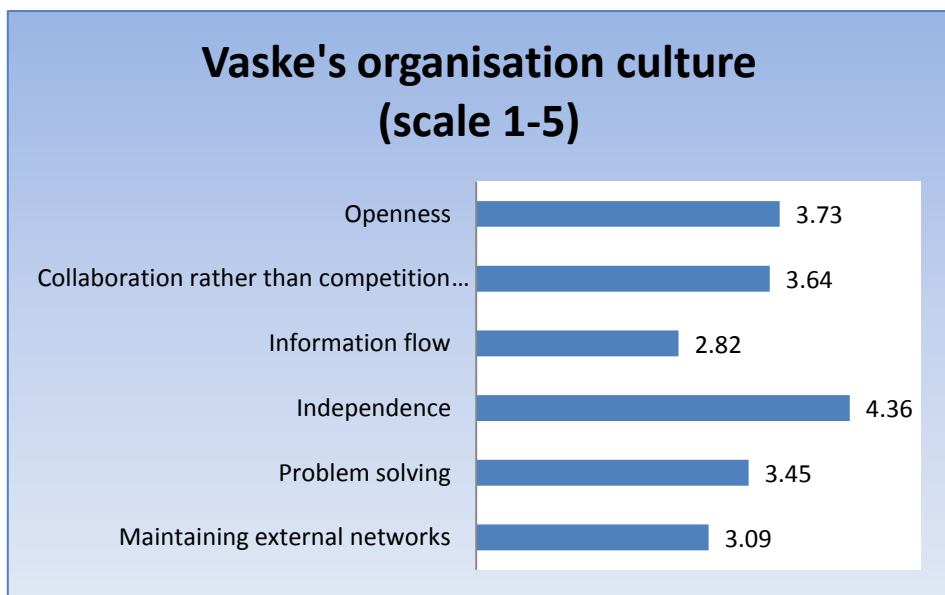

Vaske's organisation culture (scale 1-5)

FIGURE 36   *Can you evaluate company's organization culture? Please specify with number, scale from 1 to 5.*

From the table above, we could observe that people feel extremely working independent, as the scale reached 4.36 (out of 5), which is rather high. It might because employee's working responsibility is mainly project-based, so as involvement of other project is relevantly lower than ordinary level. Openness, collaboration rather than competition, problem-solving are also appreciated by staff (all are over 3.5), a bit higher than the normal level. However, information flow is only acceptable by the people, as it only accounted to 2.82. There is something could be improved in later management. Additional answer is provided, such as one person suggests tat bureaucracy resourcing of core operations is also one of Vaske's cultures. However employees don't satisfy with it greatly.

Next question is to check out employees' concern on the project schedule. Does the project running under control, something unexpected happen so that the manager has to extend the time to fix it, or they want to renew for little time to make high commitment to hand over the final result.
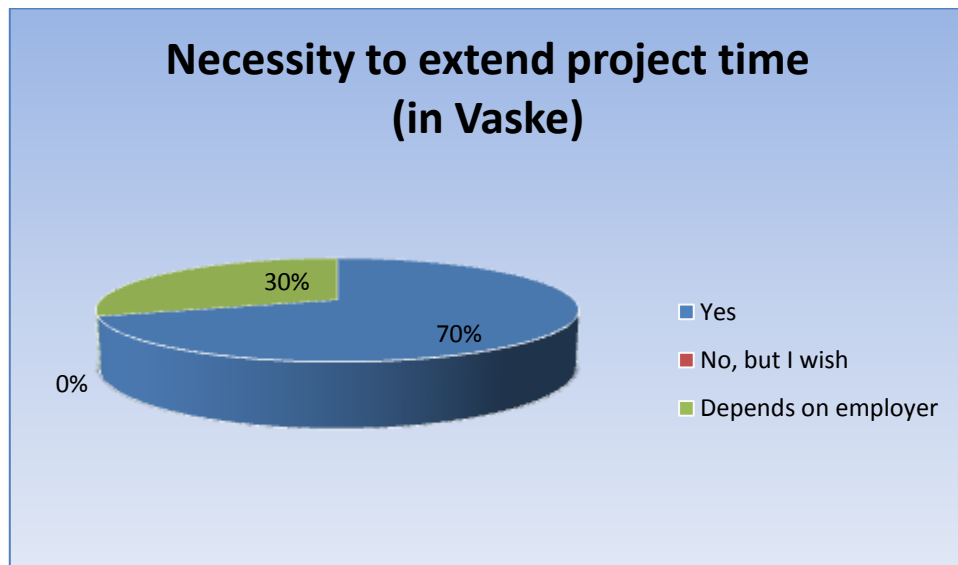

FIGURE 37   *Do you feel any necessity to extend the project time?*

Majority of people (64 percent) think it is necessary to extend the project time if possible. It might because some employees think they can deliver better project result if there is more sufficient time. Or the original schedule is really tight and challenging, extra time is necessary to input to deliver satisfying result. Only minority of people (27 percent) said they are ok with any plan, as it is employer's call to control the project.

The twenty-first question is to find out what is the most difficult stage in a project. Here the project divided into four stages, with start-up, planning, implementing and closure.
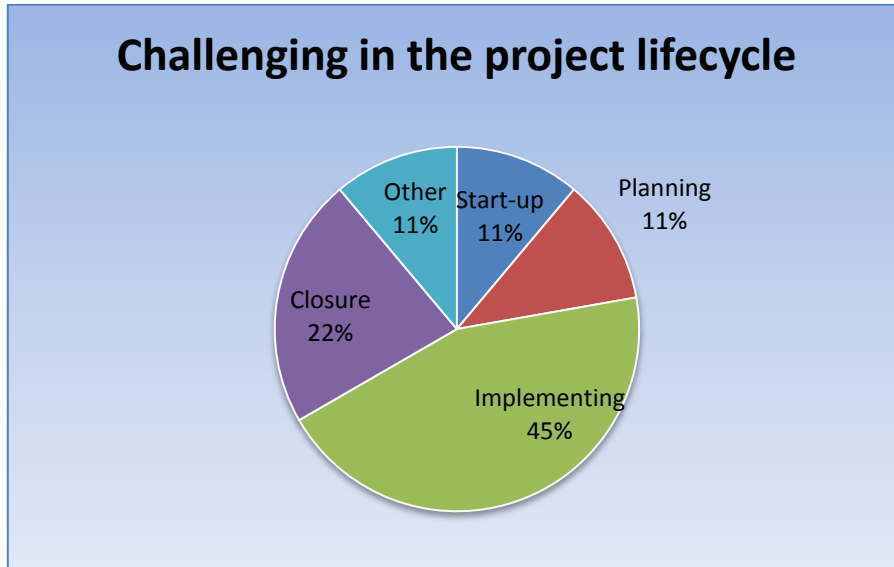
FIGURE 38   *What is the most challenging part in the whole project life cycle?*

From the table above, it can be concluded that implementing stage is the most challenging part, as 45 percent of employees said they met difficulties there. It might be budget issues, schedule, or unsatisfying outcomes of the work. Then closure also arise several people's concern, with 22 percent. Start-up and planning is not so hard to deal comparing to other stages. By asking extra question, problems in the project could be reporting and bureaucracy. As some people think there is no point to have some jobs financed as an project, because those jobs that are part of the permanent core operations of Vaske, and why bother to be public financed to increase extra work caused by bureaucracy. Some also think that it is difficult to understand expectations of financiers and project's target group.

6 SUGGESTIONS AND CONCLUSION

6.1   Suggestions

The case company Development Agency of Valkeakoski Region can be defined as pure project organization. The company's service is arranged in the unit of project. The company is working generally independently, only supervised by shareholder with periodic reporting. The organization is tiny size, in order to meet requirements of flexibility, development and efficiency. Employees in Vaske are task-oriented and normally have tight project schedule, which is typical in a pure project organization. Together with that, Vaske is considering about organization reform and staff reducing, as a result increase more uncertainty and complexity.

It is highly recommend that project manager should be determined as early as possible, ideally in the planning stage. This is to exchange high commitment both from PM and management group to achieve maximum coalition. However, if it came late, the project manager shall formally state

the problems to managing director as early as possible, and find possible adjustment to the decision. For instance, PM could take an audit and assessment to the project plan as to ensure success of project implementation.

It is valuable to review the lifecycle of a team, so as to motivate co-workers. Company could offer Project Self-Evaluation Feedback to the project manager, in order to help to understand and review the nature phases of project.

Setting up project team beforehand, it is valuable to evaluate team role requirement, together with psychometric test, such as 16 PF natural role analyses. Company could evaluate and investigate difference, pertinence and compatibility between two, so that be able to understand who is ideally located this position, or who and who is suitable to setting together. Moreover, as suggested by many authors, project manager should have sufficient freedom to choose who join the project team. Anyway, it is a matter about who to work with, therefore worth to take into consideration of reciprocity. Certain tips have been given in chapter 3.1.2 on how to run an effective teamwork.

It is suggested to improve company's communication and cooperation culture. There is a potential saying in Vaske said that it's not my business, I only do my own project. It is recommended to promote cooperation between different projects, and motivating them to develop Vaske together. It is also good to keep regular communication channel, for example regular coffee break, twice a week meeting, etc. In addition, it is suggested to crate an electronic notice board in the company intranet in improve the information urgency.

Vaske's projects are more similar to self-directed team. There are small group of people. Employees normally have day-to-day responsibility and self-supervised. They are assigned with job assignments, plan and schedule work, make decision by themselves with barely direct supervision. Some of their tasks have even beyond a project manager's original role, such as hiring, firing conducting appraisals and setting schedule. (Wellins, 1992)

In self-directed team, high encouragement of empowerment, employee involvement and trust are appreciated. It is recommended to select team members in the similar way, based on:

- Team working competences
- Problem solving skills
- Coaching &training
- Job motivation
- Specialist skills
(Rosemary Thomson, 2002)

Considering on the real situation of Vaske, it is suggested to apply supporting or delegating leading style. It is suggested by Thomson (2002) that

self-directed managing solution is appropriate in such case. As a manager, he/she could:

- Focus less on a manager's function responsibility;
- Coaching and training team members;
- Be supportive to helping team members seeking resources and training;
- Helping team members managing themselves.

Considering bureaucracy, it is suggested to light it as much as possible. By the interview, somebody suggested financing core operation permanently in order to reduce extra burden caused by rules and paper works.

In order to upgrade employee's job security, loyalty, and motivation, it is recommended to have open conversation of prospect of job and career, although it is extraordinary hard topic, basically depends on employee's preference and communication techniques.

If possible, company could provide some training session, for example financing, marketing to assist project manager.

6.2   Conclusion

To sum up, it is clear that project-based organization is a 'temporary collection' of a variety of services, activities and collaboration methods to achieve certain target. It is accepted there are fours nature of project-based organization, defined as matrix project organization, pure project organization, line project organization, staff line project organization. (Referred in chapter 2.3)

To research the elements of project organization, project team is an essential tool to observe further depth understanding. Project team consists of project manager (PM) and team member(s).

PM is vitally positioned in the project implementation, as he/she has primarily role of controlling productivity, and additional role of decision-making. Certain required working attitudes and skills are given to be a successful PM, referred in chapter 2.5.2.

Project team could consist of any kind and number of specialists. There are certain lifecycle analysis of a project team, divided into collection, entrenchment, resolution/ accommodation, synergy, decline, and break-up. (Detailed explained in chapter 2.6.2)

To manage a successful and profitable project team, certain strategic human resource tools are required. In chapter 3, it discussed three issues of teamwork, communication, and leadership.

In the project work, team is always an essential collection strategy to bring specialists and resources together. Team management is potentially de-

cided by the size, service field, and working culture (referred in chapter 3.1.3). Nevertheless, teamwork effectiveness could be start with team orientation. Project manager should select fine team members on the consideration of nature of team role (referred in chapter 2.6.3 and 3.1.1). It is also worth to understand how to leading a team effective in chapter 3.1.2.

Communication is also important in project team management. As it discussed in earlier chapter, variety of communication strategy is helpful to promote information flow in the organization. However, it is not always such simple. Maintaining good external networks is crucial as well. (Referred in case study 4.2) Project manager shall also improve skills and competences on how to be a good business supplier to transfer company's knowledge into customer's demands.

Moreover, good leadership skills can be value-added to project management. Indeed, it matters about personal tactics, as it totally depends on personal characteristic and organization culture (referred in chapter 3.3.5). Generally speaking, a project manager could start with learning 4 leadership styles. (Referred in 3.3.1) Leading a team has two opposite orientations: cooperative and coercion. (Referred in 3.3.4) A PM can choose appropriate managing style to lead the project team.

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APPENDIX 1

Sample of questionnaire feedback (Attached)

	Title	Questionnaire
	Name	questionnaire
	Id	9717119
	Order number	7
	Creation date	11/23/2009 12:31:11

Questionnaire

Instructions: Please choose suitable options by circling the letter. Your answer is anonymous and will be kept confidentially.

1. What is the type of your employment contract?
 A. Permanent contract

2. How did you get employed in the project?

3. How long was needed to get familiar with your project responsibilities?
 A. I week

4. How long did it take to adopt the company's culture and feel comfortable with the organization?
 A. I didn't feel any serious difficulties at all.

5. Did you receive any training in the beginning of the project?
 No.

6. Did you want to receive any training?
 A. No

7. Was there clear project objective in the beginning of the project?
 A. Yes.

8. Have you changed your project objective during the process to achieve results?
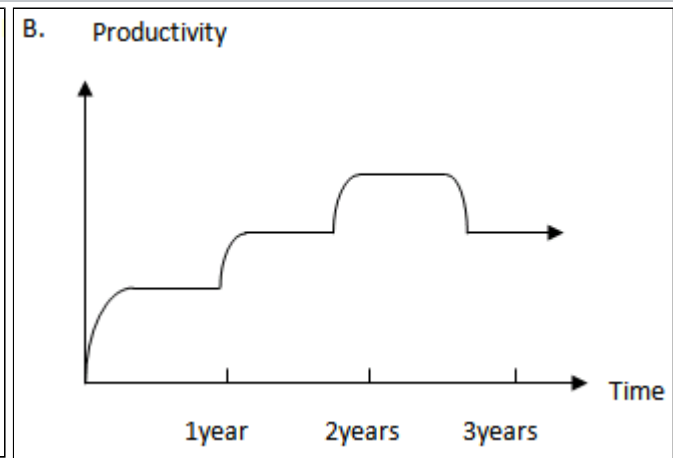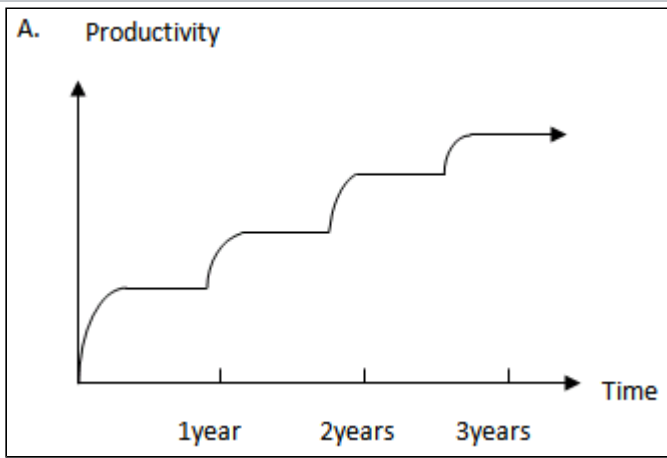 A. No.

9. Do you think bureaucracy and paper work in the project management and decision-making caused extra burden?
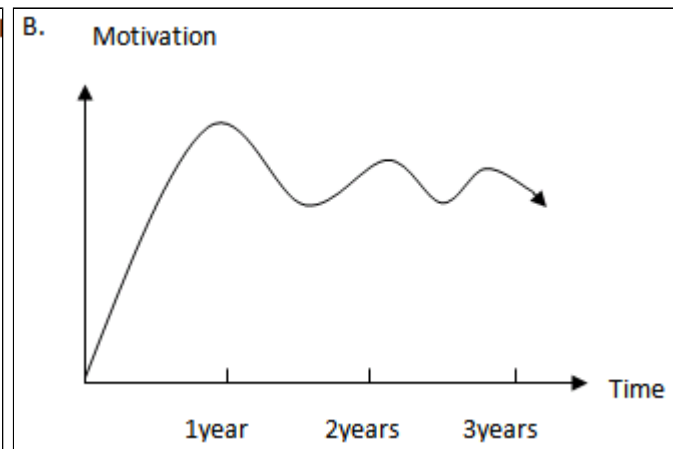 A. Yes.

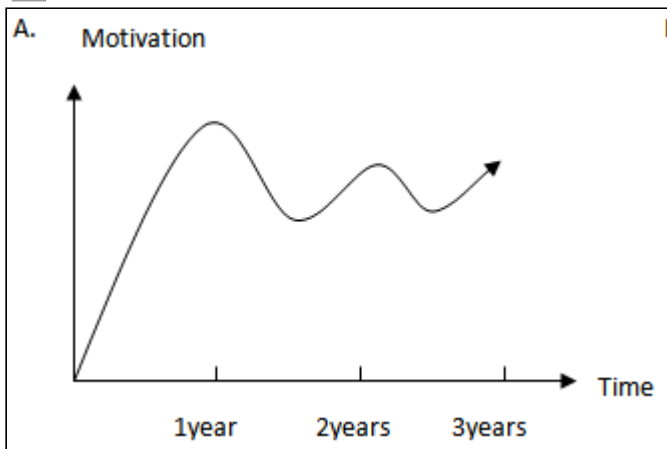10. Which one is your own productivity chart?
 A

A. Productivity

Time

1year   2years   3years

B. Productivity

Time

1year   2years   3years

11. Which motivation chart suits your case?

A

A. Motivation

Time

1year   2years   3years

B. Motivation

Time

1year   2years   3years

12. Are you satisfied with your contribution?

A. Yes.

13. Do you feel comfotable to communicate with the managing director?

A. Yes.

14. How often you communicate with other team members?

B. Close communication. (daily contact)

15. Is it easy or difficult to get extra help from your college during informal communication? (scale 1-5, 1 specify extremely difficult to get help, 5 specify easy.)

4

16. Do you cooperate effectively with your colleges?

B. Sometimes effective, sometimes not.

17. What could be improve through communication:

Electronic notice board in the company intranet would be a big improvement.

18. How do you think it's useful to promote informal communication and social networks?

Monthly meeting	4	(Scale 1-5, 1 means not important, 5 means serious effect.)
company meeting	3	
Christmas party	5	
Coffee break	5	

19. As an experienced project manager (with experience over 5 years), at which stage you would communicate your problems of the project to your supervisor?

A. Right after the problems comes.

20. Do you have sufficient time to complete the project?

Yes, things are quite on schedule.

21. How do you like Vaske's organization culture? (Please evaluate the present stage from 1-5, 1 needs improvement, 5 is every good.)

Openness	5
Collaboration rather than competition between collages	3
Information flow	2
Job satisfaction	3
Job recognition	2
Independence	4
Problem solving	2
maintaining external networks	1
if others, please specify	1 bureaucratic resourcing of core operations

22. What kind of leadership do you prefer in Vaske?

B. Supporting

23. Do you feel any necessity to extend project time?

Yes.

24. Project life cycle is the concept of 4 sequences of phases the project involved, which are start-up, planning, execution, closure stage. What's the most challenging part in the whole project life cycle?

D. Closure

What kind of challenges are them?

My job is a part of the permanent core operations of Vaske, but it´s financed as a project. That´s why I consider project bureaucracy as an extra work, which should be as light as possible.

25. Do you find possible solution to those issues?

My job should have a permanent budget

financing.

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