

Management by projects and its implications for the model of employment – the Polish perspective

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The article raises the issue of creating employment in project-oriented organizations (POO) considering Polish conditions. It has been assumed that the demands of a specific project influence the condition and forms of employment (the model of employment) in all POO. Management by projects (MBP) with regard to the characteristics of projects requires using flexible – the so-called non-employment – forms of employment. As shown in the presented research results non-employment contracts are not a preferred form. It can also influence the occurrence of problems in project realization. One of the essential prerequisites for exploring the given subject is its marginal depiction in the subject literature.

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1. Introduction

Today repeatable, routine actions gradually lose their value in favor of unrepeatable and complicated enterprises – i.e. projects.

A project is an enterprise heading for achievement of an established goal with specific time, cost and resource limits (Jones, 2007, p. 17-18). Project management means, however, the use of knowledge, abilities, tools and techniques regarding activities performed in an isolated project in order to fulfill non-standard or exceed the demands and expectations of the stakeholders towards the project (Ward, 2000, p. 168).

As indicated above, project management considers an isolated project. And just like in the subject literature the concentration of attention paid towards internal problems of a project is still dominating. Many companies do not confine themselves though to project management, but implement the so-called management by projects (MBP), which is defined in different ways in the subject literature. It has been accepted that MBP is a way of realization of arrangement strategies through application of process approach and by using specific tools (Huemann, Keegan & Turner, 2007, p. 316).

Projects, as well as whole organizations do not exist without people. It has thus been acknowledged that the issue of staff management becomes important and up-to-date in project-oriented organizations (POO)³ – including creating workplaces. One can pose a thesis that the accepted approach to human resources arrangement within isolated

³ Project oriented organizations (POO) are organizations which implemented management by projects (MBP).

projects influences the model of employment created in the entire enterprise.

The aim of this article has become to show the issue of creating workplaces in POO. It has referred to the Polish reality of quantitative flexibilization of employment. The deliberations have been based on literature studies and research results, both of others and our own regarding the questions of:

- a) the disadvantage of project work from the point of view of project team members,
- b) the perception of the so-called atypical forms of employment.

The article has shown that the introduction of MBP influences flexibilization of the employment model of the entire enterprise. Using atypical employment has on the one hand become an immanent feature of these organizations, on the other hand it can influence the occurrence of problems typical for non-employment contracts, revealed in empirical research results.

One of the essential prerequisites for exploring the given subject is its marginal depiction in the subject literature. In publications from the field of project management as a rule the issue of employment forms of team members and the influence of choices made in this area on the employment model of the whole enterprise are not taken into consideration. In turn, in research work regarding flexible work arrangements, including non-standard forms of employment the authors have been acquainted with, the influence of projects conducted in organizations on the used forms of employment has not been analyzed in a direct way. The identified gap creates reserves for searching for possibility of raising the effectiveness of POO functioning.

I. The characteristics of employment in project-oriented organization – literature approach

A thesis can be posed that the needs of a specific project influence the condition and forms of employment in the entire POO. The project team comprises in practice the following components:

- a project manager,
- general work contractors (basic team),
- extra work contractors (extended team).

What is more, every project has a team manager and general work contractors. In bigger, more complex projects there can be an extended team.

It may seem that only extra work contractors are connected with the project temporarily. It is not so, though. During a specific project realization the composition of a team may be permanent or it can undergo changes in the next stages of work. It is important for the project success that the solid „element” of the team are the managers. However, even they do not have to be the permanent staff of an organization. A characteristic of POO is that both project managers and all project work contractors may be:

- a) connected with the enterprise irrespective of the project,
- b) recruited only for the project time.

In subject literature no research results have been found regarding the most common proportions between staff employed permanently in POO and staff engaged temporarily in project works. This gap in research results most probably from the fact that projects as a unique activity do not easily undergo empirical quantitative verification. However, Keegan and Turner report that the only way the POO copes with uncertainty of the levels of resources required for the

future is by employing between 20% and 40% contract staff. They also report one organization employing up to 80% contract staff (Turner, Huemann & Keegan, 2008, p. 20). These proportions will certainly depend on how much „projectized” is an organization. In an extreme case, in the structure of a company there can be only the board and alternatively project managers. However, general work contractors are recruited each time when the board gets a client (an order). For a change, in organizations with linear or matrix structure, whose main business is operational activity, 99% of staff may be employed permanently. In case of launching a project, there are temporarily employed people with competences the company does not have.

In each of the cases described above MBP implies a „new” type of work – characterized by a team form of an organization, indefiniteness of content, temporariness, changeability of staff relations. Such a type of work may be satisfactory (Piwowar-Sulej, 2009, p.79-88). It seems that project work is above all appropriate for people with a personality of an explorer or an entrepreneur. They are people who need constant challenges and diverse tasks, they look for a creative and dynamic work environment (Forbes, 2012). Undoubtedly, people with the indicated features „reinforce” the group of freelancers, which means people working without a full-time contract, realizing projects to order, most often specializing in a given field. What is more, on the job market there appeared a separate profession, the so-called manager’s interim (temporary manager’s interim) who can play the role of a project manager.

The features of project work make cooperation relations in POO more complex than in traditional organizations. They include cooperation within a project team with employees from the permanent

structure of a company and with external partners. An issue of a subjective feeling of social inequality may appear among representatives of given groups of people engaged in the project. The structural changeability of projects and different time of duration is a barrier against building strong relationships among team members. This, in turn, influences the efficiency of actions.

A project as a single enterprise is burdened with some level of uncertainty. Fear among team members may deepen in a situation when a unit does not know what will happen with them after the project completion. The above influences the perception of project success. One of the criteria of this success according to project team members is the level of their work appreciation manifested in successive interesting professional offers (Piwowar-Sulej, 2011, p. 42-43).

In accordance with the results of research on task structures in Polish and foreign enterprises conducted by J.M. Lichtarski, people employed temporarily are characterized by a lower level of satisfying safety needs. Older people (over 46 years old), those with executive posts and women feel more uncertain. Higher uncertainty does not concern however representatives of some professional groups (including information technicians) and people functioning in a stable branch (e.g. power and gas distribution) (Lichtarski, 2011, p. 154-157).

In Polish publications devoted to project management a comparison between a traditional organization and POO can be found, which was shown in Table 1.

Table 1

Relations between POO and a traditional organization in terms of creating workplaces

Type of organization	Contract forms
traditional organization	<ul style="list-style-type: none"> • collective negotiations of agreements, • formal forms of contract agreements including basic entries from the Code of Labor, • long-term or temporary agreements, • rarely used civil agreements
project-oriented organization	<ul style="list-style-type: none"> • informal and confidential work agreements with the possibility to negotiate depending on the project character, • limiting the role of trade unions, • often used contracts for specific work, mandate contracts and economic cooperation agreements, • duration of contract depending on project features

Source: own study with the use of (Haffer, 2009, p. 67)

The forms of agreements presented in the above table will be characterized in a closer way in the successive part of the study.

II. Flexible model of employment in Polish enterprises

As indicated above, the spreading of solutions characteristic for POO is one of the factors influencing the changes of an employment model. The process of employment flexibilization is on the one hand connected with a global tendency. On the other hand it is dependent of legal, economical and cultural factors of a given country.

In Poland, a specific form – whose usage is possible thanks to the binding legal system – is a non-employment contract. In accordance

with the judicial decisions of the Polish Supreme Court employment does not have to be of work character and can be agreed upon based on legal agreements (I Polish Normalization Committee, 2001). It leads to a creation of a specific employment relationship, which puts a contractor outside the system of the binding Polish labor law, and in some cases also outside the system of obligatory social insurance. As a comparison, the British system does not know the notion of a non-employment contract. In Great Britain there are employees employed based on employment contract, self-employed, outsourced workers and agency workers (Leighton, Syrett, Hecker & Holland, 2007, p. 14-15).

The employment model presented in Table 2 is based on the results of research conducted in Polish companies and is typical for the country's conditionings.

Table 2

Flexible employment model

Zone	Connection forms	Employee characteristics	Realization of employees' interests
Core	<ul style="list-style-type: none"> - employment contract for an indefinite period - managerial contract 	<ul style="list-style-type: none"> - close management and people having substantial influence on conducting the basic activity of a company - very high and interdisciplinary competences 	<ul style="list-style-type: none"> - realization of interests secured by agreements - high remuneration - investment in development - minimization of fluctuation - adaptation of work conditions to contractors' expectations
Permanent employee	<ul style="list-style-type: none"> - employment contract for an indefinite period - employment contract for a definite period 	<ul style="list-style-type: none"> - employees performing tasks of lower importance - in a specific number they are needed constantly in the company, however particular people may be relatively easily substituted by the newly employed ones 	<ul style="list-style-type: none"> - realization of interests secured as part of work relation by the Code of Labor and records of employment contract - care for the development, level of remuneration and creating work conditions are dependent of general approach towards staff management in the company
Periphery I	<ul style="list-style-type: none"> - mandate contracts - contract of specified work - outsourcing (including personnel leasing) 	<ul style="list-style-type: none"> - highly qualified employees, often the so-called freelancers - recruited directly from the job market or through cooperation with specialist agencies, consulting firms or universities - needed in the company mainly temporarily e.g. in connection with the implementation of a new management system 	<ul style="list-style-type: none"> - lack of employment stabilization, temporariness of cooperation - no present work relationship in relation with the using company - relatively high remuneration - the using company does not invest in professional development of contractors

Periphery II	<ul style="list-style-type: none"> - mandate contracts - temporary employees or other forms of personnel leasing 	<ul style="list-style-type: none"> - employees performing tasks of lower importance - recruited in order to fill in for temporary insufficiency of employment in the company (e.g. in connection with the high season) - recruited in order to lower the cost of work regarding the contract employment within the stable zone 	<ul style="list-style-type: none"> - no employment stabilization, temporariness of cooperation - no present work relation in relation with the using company - lack of care for contractors' development - relatively worse work conditions e.g. lack of fringe benefits from the company's funds, - low remuneration as a rule
Periphery III	<ul style="list-style-type: none"> - outsourcing 	<ul style="list-style-type: none"> - employees realizing the tasks for the company based on contract outsourcing (coming into cooperation with a company functioning on the market) or capital outsourcing (isolation of a company from the structures of the parent company) - different scope of competences depending on work character which may regard e.g. cleaning services, security, facilities maintenance 	<ul style="list-style-type: none"> - realization of task employees' interests lies mostly within the competence of an outsourcing company - the conditions of work done on the premises depend on the using company and partly also on the value of remuneration and cooperation stability

Source: study based on (Bał-Grabowska, 2008; Bał-Grabowska & Jagoda, 2009; Gableta & Bał, 2003; Gableta, 2003, p. 125-131; Piórkowska-Wojciechowska, 2008, p. 94-106; Sekuła, 2001, p. 68; Ziółkowski, 2006, p. 215-236)

The form of connecting an employee with a company is one of the basic factors determining its location in the employment structure, within which one can identify the core, the permanent worker zone and particular levels of periphery. This in turn has influence on the realization of employees' interests.

Referring to the possibilities of human resources organization, described in point one, within a project team in connection with standard competence requirements given to team members, it can be assumed that:

- the basic team engages mainly core employees, including those on managerial contracts and employees from the permanent zone and periphery I;
- the extended team will engage mainly co-workers from periphery I, II or III.

External contractors engaged for periphery I are a particular group among workers from the periphery zone. Their position is to be recognized as relatively good. In this case, the lack of employment stabilization partly compensates relatively high remuneration corresponding with high qualifications of contractors. Recruiting them to project teams is connected mainly with the need of enrichment of team competences and realization of tasks of higher importance. It can be assumed that in practice the character of tasks realized within a project will be one of the basic factors determining the way of creating employment and the used forms of employment. In such projects as construction investment realization employees of periphery II and outsourced employees from the so-called subcontractors may be recruited on a relatively large scale.

Most peripheral employees in Poland are employed in periphery II. In this case, the lack of employment stabilization, care for professional development and worse work conditions are also accompanied by low remuneration. They are generally clearly lower than remuneration of employees with employment contracts – employed permanently or connected with the company for a long time. Non-standard

employment forms of co-workers engaged to extended teams are the source of numerical and functional flexibility. However, the character of cooperation which is determined by them may become a source of problems in project management. Among them one should pay attention also to those resulting from the perception of non-standard employment forms among employees.

III. Work within atypical employment in the perception of employees – empirical research results

The performed literature studies from the field of flexible work arrangements have shown the lack of raising a question of the specific character of using non-standard employment forms in POO. In the space of recent years researchers have analyzed non-standard employment forms taking into consideration among others such factors as:

- contractors' sex (Scandura & Lankau, 1997; Charron & Lowe, 2005; Giannikis & Miahail, 2011)
- family situation, including children in the family (Sullivan & Smithson 2007; Mazur, 2008, p. 105-132)
- contractors' age (Pricewaterhouse Coopers, 2009, p.12-19)
- private sector versus public sector (Fagan, Smith, Anxo, Letablier & Perraudin, 2007; Giannikis & Miahail, 2011)

Conclusions resulting from the analysis of quoted researches are not univocal. And, for instance, the hypothesis about higher evaluation of flexible work conditions among women rather than men is verified positively. However, connecting flexibility of time and place of work

with the employment form presents new problems. And in a situation when flexibilization of work conditions is connected with an employment form characterized by high uncertainty of employment and limited social security, their evaluation among women decreases significantly.

In Poland a few projects were realized, whose goal, or one of the goals, was to describe the perception of non-standard employment forms among contractors. The project „*Examining factors conditioning the use of non-standard employment forms in Poland*” was commissioned by the Ministry of Labor and Social Policy. There were 4610 people taking part, working with employment contracts, legal contracts or running a one-person business, but not being employers (Mazur, 2008, p. 105-132).

The analysis of the given results shows the high importance of problems connected with the lack of security of the employed on the basis of atypical solutions. In case of a non-employment contract, the most often disadvantage indicated by the respondents is the lack of fringe benefits and employee rights associated mainly with the fact that the Code of Labor entries were not binding. The second group regarding the importance of indications should be the one with disadvantages concerning a different way of staff management within non-standard employment forms – the feeling of being a second category employee, lack of attachment with the company, lack of feeling of being a team member and limited possibilities for development.

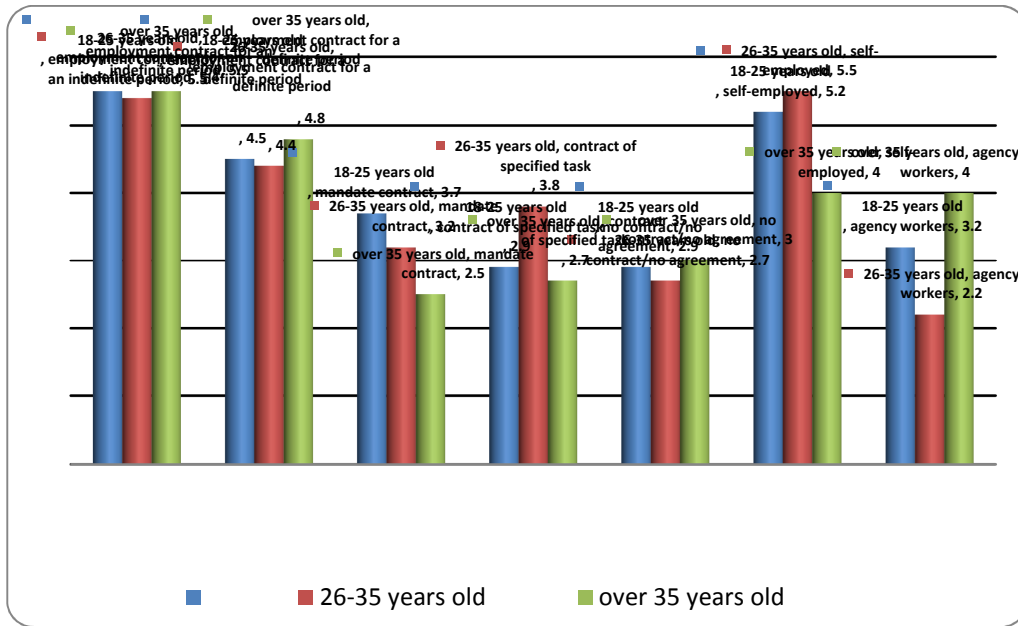
The next project was connected with pilot research conducted among students studying management at the Economic Sciences Faculty of the University of Economics in Wrocław. In 2011, 120 people were

surveyed. A sampling survey was elaborated and used, which included questions about facts and opinions. The second group of questions comprises among others a request to describe the attractiveness of specific employment forms in the six-level scale (see Figure 1).

As resulting from the presented data in the graph, independently of the age group, working students evaluate highly traditional employment forms connected with employment contracts for an indefinite period and definite period. Attention should be paid to the high appraisal of self-employment – especially among people 35 years old and less – associated with running one's own business. It can be concluded that students rating highly employment stabilization and security resulting from the social security system choose standard forms, and students who are characterized with a high level of entrepreneurship appreciating freedom and work flexibility want to work on their own within the scope of conducting a business activity. All transitional forms connected with work within a non-employment contract, or the so-called gray zone, are rated as significantly less attractive.

Figure 1

Evaluation of attractiveness of specific employment forms in 6-level scale by students in different age groups



Source: own study

The perception of work within non-standard employment forms revealed in the research influences the sensation of job satisfaction and may influence the effectiveness also within the scope of project realization. In the presented research a group of contractors employed in project teams based on non-standard agreements was not isolated. The authors propose the need to conduct research on non-standard employment forms taking into consideration the criterion of employees' attachment to a project team. Maybe the rating of

cooperation in this group will turn out to be specific. Nevertheless, the general tendency among Polish employees to underestimate the advantages of non-standard employment forms and to focus on their insufficiencies cannot be disregarded.

These observations confirm partially the results of research being conducted in the United States. K.M. Beard and J.R. Edwards showed that uncertainty of employment and lack of direct control have a negative impact on the feeling of satisfaction of performed work and the level of engagement in the realization of processes (Beard & Edwards, 1995). In turn, research conducted among Polish agency workers revealed that by meeting their commitments towards a few entities they do not identify themselves with any of the sides (Dobrowolska, 2008).

IV. Conclusions

Using the project approach is a manifestation of an organization's flexibility. Changes are introduced in the form of projects as a reaction to external or internal clients' expectations. What is important, MBP is characterized by the flexibility of employment, allowing for adjusting the number and type of employees to a quantitative, qualitative and time requirement for work.

Work within projects is characterized by among others temporariness and changeability of staff relations. As indicated, this type of work may bring satisfaction to a given group of employees appreciating independence and freedom in creating relationships with their employer. The quoted research results show that the preferred form of relation with a POO may be in this case managerial contracts and

cooperation based on self-employment. Insufficiencies of atypical work should be compensated by a relatively high remuneration. It is connected not only with the lack of job guarantee in the longer perspective, but also such factors as transferring the cost of professional development to the employee.

A natural requirement for work flexibility in POO needs to be regarded in the context of needs and expectations of employees. As shown in the presented research results, a non-employment contract is not a preferred form for the significant majority of them. Such insufficiencies as the lack or limited fringe benefits and employee rights, higher employment uncertainty or fewer possibilities for promotion are essential problems for many employees starting cooperation within non-standard solutions. The indicated problems do not concern only employees. It can be assumed that low job satisfaction contributes to lowering of the quality and efficiency of the performed work within project teams, and at the same time it also affects the employer.

In POO, where different forms of employment are used in parallel, the level of realization of employees' expectations will depend on the employment zone where they will be placed. As shown, the interests of employees from core employment are relatively best realized. The situation of freelancers from periphery I may also be considered a good one. Members of project teams will condition their self-evaluation and job satisfaction not only on their own individual situation, but also on the results of comparing themselves with the remaining employees of the organization.

The issues outlined in the study are not enough explored based on the subject literature, including conducted empirical research. The authors

assume the need to verify many suggested hypotheses. The knowledge obtained thanks to that may constitute an important source of the increase of effectiveness of POO functioning.

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