

Inside service-intensive projects: Analyzing inbuilt tensions



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Abstract

The purpose of this research is to identify typical professional and occupational groups in service-intensive projects, and illustrate the inbuilt tensions among them through the lens of institutional theory. The cases used for the study are a wind turbine business and a content management system project business. Our findings suggest that there are two professional groups (problem solvers, technology developers) and two occupational groups (lead generators, relationship developers) involved in these businesses. More importantly, their intergroup tensions are related to different institutional logics toward the conception of time (project temporality) and prioritization of different aspects of business (primarily commercial or technical issues) that become manifested in stereotypes, perceptions of trust, internal politics and lack of cooperation. Together, we call these institutional logics the project ethos of each group. Our findings contribute to the research on project management by illustrating the organizational challenges of service-intensive projects.

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1. Introduction

The mushrooming of services in the project business (Arto et al., 2008; Davies et al., 2007; Kujala et al., 2013) is changing the dynamics of many fields within this sector. Today, economic exchange rarely dissolves after project handover and many project-based companies actually earn more revenues from project-related services than from the core project delivery (Gebauer et al., 2010; Salonen, 2011). The projects we have studied empirically can be described as *service-intensive* as they offer a wide variety of services from basic maintenance to more sophisticated development and consulting.

While post-project services enable project continuity, they cause many kinds of challenges related to two inherent problems of projects (Söderlund, 2011a), *cooperation* and *coordination*.

Cooperation involves the conflicting goals project buyers and sellers might have, and coordination involves the need to communicate and synchronize activities. Even if the buyer and seller share mutual goals, and hence a service exchange continues, this could prove problematic to coordinating the transition. Thus, when the project team is dissolved and members are assigned to other tasks, project history and other critical knowledge are at risk of being detached (DeFillippi and Arthur, 1998; Prencipe and Tell, 2001). In this research, the terms “post-project” (Engwall, 2003) and “project afterlife” (Söderlund, 2011a) both refer to the point following project handover (Skaates et al., 2002) at which the customer begins to operate the supplied system.

Until recently, project management research has been keen to describe project management tasks during project planning and implementation (Engwall, 2003; Söderlund, 2004) while project marketing research has been focused mainly on the project sales phase (Cova and Holstius, 1993; Cova et al., 1994; Söderlund, 2011b). Only recently has the post-project stage appeared in the limelight, as the concepts of *project afterlife*

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(Söderlund, 2011a) and project endings (Havila and Salmi, 2009) gained in popularity. However, we do not know exactly how the appearance of project services influences the internal dynamics of projects. There are studies on the interpersonal conflicts within projects (e.g., Thamhain and Wilemon, 1975; Vaaland and Håkansson, 2003), but they tend to focus on the perspective of the project manager. We argue that an extended view on projects requires understanding the interactions among professional and occupational groups typically involved in projects.

We seek to unravel the underlying, inbuilt tension between various professional and occupational groups. In the absence of a consensus on the definition of professions and occupations, we rely on Abbot (1988) notion that an occupation must possess a body of somewhat abstract knowledge on which the right to control certain areas of work can be based to be a profession. Despite the triumphant march of business schools, these institutions have failed to fulfill their mission of professionalizing management (Khurana, 2007; Alajoutsijärvi et al., 2014). Indeed, business schools never developed into professional schools that guaranteed their graduates an exclusive license to practice management, such as dentist schools do for their graduates, for instance. Similar endeavors towards achieving legitimacy through professionalism have been undertaken by many institutions associated with project management (e.g., IPMA, PMI and APM) with equally speculative results (Hodgson and Muzio, 2011). Thus, managerial positions in project business are oftentimes occupational, with the exception of ‘expert’ managers that rely on their professional education and highly specified expertise such as in architecture or civil engineering (Barker, 2010; Mintzberg, 2004).

In this paper, we ask the following: 1) what the typical professional and occupational groups are in a service-intensive project, and 2) what are the main tensions among these professional and occupational groups throughout the timeline of such a project? We seek to unravel these questions by constructing a conceptual research framework to identify the inbuilt tensions between typical professional and occupational groups involved in projects via institutional theory (e.g., Bresnen and Marshall, 2011; DiMaggio and Powell, 1983; Scott, 2008). We use this conceptual framework to analyze two service-intensive project businesses via a comparative qualitative case study. The findings contribute to project management theory by identifying and explaining the reasons behind adversarial relationship between professional and occupational groups via institutional theory. We identify several intergroup tensions that restrain interaction and propose ways to overcome such tensions.

2. Inquiring into intergroup tensions using institutional theory

2.1. Tensions from co-existing institutional ‘logics’

In project-based organizations (Whitley, 2006), several professions and occupations work together for a limited time to solve project-related problems. These groups reflect the

requirements of the specific project business (Alajoutsijärvi et al., 2012) and its context or ‘ecology’ (Grabher and Ibert, 2011) and can include professionals such as architects, engineers, surveyors, and builders for construction projects (Bresnen and Marshall, 2011) or scientists and clinicians for the biomedical projects (Newell et al., 2008). Professions and occupations tend to be associated with different rules, norms and values, which influence the behaviors of individuals belonging to these groups (DiMaggio and Powell, 1983; Suddaby and Viale, 2011). A prominent stream of institutional theory researchers (e.g., Hwang and Powell, 2005, pp. 201–232; Leicht and Fennell, 2008, pp. 431–438; Meyer and Jepperson, 2000) consider professions and occupations major institutional forces, and as Scott (2008: 223) puts it, “professionals are not the only, but are – I believe – the most influential, contemporary crafters of institutions.”

Given the temporary nature of projects (DeFillippi and Arthur, 1998; Lundin and Söderholm, 1995; Packendorff, 1995; Turner and Müller, 2003) and their high turnover for specialized, organizationally distributed professions and occupations (Bresnen and Marshall, 2011; Hobday, 2000), establishing resilient social structures within a project is challenging (e.g., Sydow et al., 2004). Indeed, project-based organizations tend to suffer from ‘organizational amnesia’ (Grabher, 2004) or minor ‘organizational memory’ (DeFillippi and Arthur, 1998), which refers to the one-off, non-recurring nature of project activities. According to Bresnen and Marshall (2011: 170) project-based organizations are “particularly prone to the coexistence and co-mingling of institutional logics associated with changing management practices”. The authors argue that the preferred ‘institutional logic’ (Friedland and Alford, 1991; Lounsbury, 2007), the broader cultural beliefs and rules influencing decision-making, for the various groups associated with projects will affect how a project is managed.

Furthermore, Winch (1998) noted that tensions between two well-established professional organizations, the institution of Civil Engineers (ICE) and Royal Institute of British Architects’ (RIBA), involved with a UK construction project considerably slowed innovation. He explained that architects, quantity surveyors and chartered builders all compete to be the construction team leader. The competing ‘institutional logics’ these various groups employ during a project appear to be an excessive source of tension because project participants seek to gain legitimacy and promote their own management ‘best practices’. This tendency relates to the classic question on the precedence of structure or agency in shaping human behavior (Battilana et al., 2009; DiMaggio and Powell, 1983; Weik, 2011).

Indeed, Sydow et al. (2004: 1476) argued that one recurring dilemma or tension within project-based organizations is “between the autonomy requirements of project participants and their embeddedness within organizational and interorganizational settings”. The authors explain that actors in a temporary system tend to draw or ‘borrow’ rules and practices from other, more permanent systems. Thus, it makes a difference whether the project participants are embedded in

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