The project manager cannot be a hero anymore! Understanding critical competencies in project-based organizations from a multilevel approach

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Abstract

This paper focuses on improving the understanding of critical competencies in project-based organizations (PBOs) from a multilevel approach. To do so, we detail the types of "PBO competencies" (functional and integrative), and identify their links with the three levels of competencies in PBOs (individual, collective, and organizational). We perform case studies of four PBOs (IBM, Hewlett-Packard, Arkopharma, and Temex) operating in different sectors and reveal the relations that unite the three levels of critical competencies. The multilevel approach also highlights a new reading of the collective competence of a project team. Our study recommends that both practitioners and current academic researchers stop looking for the perfect, "ideal" project manager who would possess all of the necessary critical competencies for projects. Managers should consider sharing responsibility between the individual and organizational competencies and should not expect a project manager to possess all the required competencies.

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1. Introduction

Since the recognition of projects as the major business endeavors for executing new business opportunities in a rapid changing market environments (Brady and Davies, 2004; Söderlund and Tell, 2011), project-based organization (PBO), defined as an organization where "the project is the primary business mechanism for coordinating and integrating all the main business functions of the firm (with) no formal functional coordination across project lines" (Hobday, 2000, p. 874), is becoming an increasing important mode of organization in knowledge-intensive industries (Bakker et al., 2013; Gann and Salter, 2000; Lindkvist, 2004; Söderlund and Tell, 2011). Nevertheless, as organizations define more of their activities as projects, projects continue to fail in large numbers, and organizations demand faster and cheaper solutions. Consequently, both the demand for project managers and the interest in project management competencies (PMCs) are increasing (Bredillet et al., 2015; Crawford, 2005). This evolution in theory and practice has placed the project manager and his/her competencies at the center of a project's, and an organization's, success.

Indeed, "smart" organizations place a significant focus on finding and hiring "strong" project managers—those who are able to deal with "soft" issues related to people and relationships, and who not only manage projects but also drive value (Gerush, 2009). Additionally, the number of required individual competencies in reference lists (such as the "Project Management Competency Development Framework" [Project Management Institute, 2013]) is continually increasing, and leads more and

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more toward evaluating project managers' competencies on the basis of extensive "shopping lists." Also, prior research mainly addresses individual PMCs held by project managers (Bredillet et al., 2015; Brière et al., 2015; Cheng et al., 2005; Crawford, 2005; El-Sabaa, 2001; Fisher, 2011; Medina and Medina, 2014; Morris et al., 2006; Stevenson and Starkweather, 2010; Suikki et al., 2006). As a result, the project manager is still seen as a "hero" who carries on his or her shoulders the heavy load of responsibility for a project's success or failure.

Faced with this problem, it appears necessary to improve and extend our understanding of critical competencies for managing in PBOs. By critical competencies, we mean competencies that must be implemented in a project context (Jha and Iyer, 2007; Ruuska and Teigland, 2009). The density of prior research has been mainly organized into three levels of analysis: individual, collective, and organizational. Although a few studies (Frame, 1999; Gareis and Huemann, 2000; Melkonian and Picq, 2011; Muffatto, 1998; Ruuska and Vartiainen, 2003) have considered that a simultaneous approach to the three levels of competencies appears fundamental to a relevant analysis of competencies implemented in PBOs, nothing is said about how to integrate the three levels (Thiry and Deguire, 2007). There is a lack of empirical studies that reveal how these three levels of competencies can be combined and coordinated.

Because these levels of competencies coexist and are interrelated in PBOs, it is necessary to consider the interplay dynamic between them. With such categorizations mostly taken separately, the literature runs the risk of missing important elements of competencies by overlooking interrelations between the levels (Thiry and Deguire, 2007) and/or emphasizing one aspect over another at the expense of ignoring phenomena that emerge through ongoing connecting operations undertaken by actors (Hernes, 2008). As a result, this gap in the existent research brings up the following questions: Is the project manager solely responsible for the emergence of the collective competence of the project team? How are distributed levels of competencies combined inside a project and how can we improve their development? Addressing questions such as these is important because in human resource management, the process of selecting a project manager on the basis of increasingly unwieldy lists of competencies becomes unrealistic. This situation led Napier et al. (2009) to state that a project manager needs to be a "magician manager" that possesses a remarkable range of competencies to build success and avoid failure.

We argue that to address this gap, we need to break out of this limited view and develop a multilevel approach that combines diverse elements into a whole (Aguinis et al., 2011; Hitt et al., 2007; Kozlowski and Klein, 2000; Mathieu and Chen, 2011; Ployhart and Moliterno, 2011)—that is, we need to combine the levels of critical competencies in PBOs. Accordingly, the purpose of our study is precisely to provide answers to a central question: *How can critical competencies in project-based organizations be understood from a multilevel approach?* In other words, we aim to understand how the different levels of competencies are combined and coordinated

in PBOs. Responses to this question would give managers a deeper knowledge of the distribution of project competencies throughout their organization and among the individuals within it by breaking out compartmentalizations of the management field, levels, or types-specific mind-sets (Aguinis et al., 2011; Hitt et al., 2007; Mathieu and Chen, 2011).

Our research is based on a qualitative approach centered on a case study of four companies that are organized by projects and operate in different sectors: computer services, computer software, food supplements, and electronic components. The four PBOs are IBM, Hewlett-Packard, Arkopharma, and Temex. These PBOs are not "pure temporary organizations", such as defined by Söderlund (2005) as temporary ventures designed and implemented for a one-shot and non-repetitive operation. Instead, the four companies studied conduct the majority of their activities in project mode and/or privilege the project dimensions over functional dimensions in their structure and processes (Lindkvist, 2004). Here, even though project is the primary business mechanism for coordination and integrating all the main competencies of the firm, there is a need for some functional support and coordination (Melkonian and Picq, 2011). More specifically, in the four PBOs, our study focuses on the activities of new product development projects (NPD) and services. The products and services considered are new for the company that develops them, but they are not necessarily new to the market. The innovation lies mainly in the modification of a product or service already delivered by the company.

Our main contributions to the field of project management are threefold. First, our overarching contribution is a multilevel approach to critical competencies in PBOs that not only specifies and integrates levels of competencies to yield a more theoretically complete picture of the creation and content of competencies, but also challenges conventional thinking on critical competencies. Second, our study suggests a new reading of collective competence of a project team. Third, we give managers an understanding of how to find a project's strength by combining competencies in order to produce an outcome that could not have been achieved by any one competency alone.

2. Theoretical background

Some authors have insisted that various competencies are critical for managing in a PBO (Bredillet et al., 2015; Bredin, 2008; Brière et al., 2015; Crawford, 2005; Danneels, 2002; Frame, 1999; Gareis and Huemann, 2000; Medina and Medina, 2014; Melkonian and Picq, 2011; Muffatto, 1998; Ruuska and Teigland, 2009; Söderlund, 2005; Suikki et al., 2006; Verona, 1999). More generally, and basing our assumptions on the work of many authors (Drejer, 2001; Le Deist and Winterton, 2005; Nordhaug, 1998; Sanchez et al., 1996), we define "competence" as the ability of an individual, a team, or a company to mobilize and combine resources (i.e., knowledge, skills, and attitudes) in order to implement an activity in situation. Moreover, we understand competence management as the set of managerial actions taken by one or more organizations to identify, construct, and develop competencies. Inside PBOs, individuals work on a project team that is one of many interrelated projects that fulfill