Chapter 10

Project-Based Organizations: Project Manager Challenges at the Interface With the Customer

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ABSTRACT

Project-based organizations coordinate their activities using projects. These projects act as temporary and almost independent organizations that directly interlace the project-based organization with their customers. This complex interface is characterized by the existence of divergent interests between the two organizations. Therefore, project managers become crucial agents to handle this interface in order to accomplish the project’s goals. By analyzing the retrospective accounts of twenty-four project managers, this chapter found that the project managers’ actions that fostered the establishment of a relationship of trust and collaboration with their customer can be divided into four dimensions: providing knowledge, contextualizing the project, keeping the information flow, and boundary spanning. The authors argue that these project managers’ actions and the generation of interaction spaces with the customer have an important impact on the development and success of the project.

INTRODUCTION

Over the last decades projects have been recognized as excellent endeavors to execute the organization’s business activities to face fast-changing market environments (Bredillet, Tywoniak, & Dwivedula, 2015; Geraldi et al., 2008; Loufrani-Fedida & Missonier, 2015). Projects are ‘temporary organizational forms’ (Bakker, 2010, p. 466) that amalgamate the competences of different specialists in order to achieve a specific task, normally constrained by cost and time (Sydow, Lindkvist, & DeFillippi, 2004). Therefore, these temporary organizational settings have been taken as the units, or ‘Lego’ bricks, to build what research has coined ‘project-based organizations’.

DOI: 10.4018/978-1-7998-1934-9.ch010
Project-based organizations are “organizations that privilege projects to coordinate and integrate all their activities in their organizational structure” (Söderlund, 2015, p. 75) and are characteristic of different industry settings, as for example consulting and professional services such as engineering, accounting, finance and law, just to name a few of them (Bakker, 2010; Sydow et al., 2004). This type of organization allows these industries to face customers with extremely differentiated demands (Hobday, 2000; Sydow et al., 2004). Moreover, they permit deploying an intensive interaction at the interface of the project-based organization and the customer, which is crucial for the success of the firm. This interface is immersed in divergent interests coming from both organizations, and project managers play a crucial role to assure the correct development of the project. However, little is known about how they facilitate this process (Webber, 2008).

Project management literature has deeply studied the required competences of project managers (Ahsan, Ho, & Khan, 2013; Brière, Proulx, Flores, & Laporte, 2015; Edum-Fotwe & McCaffer, 2000; Fisher, 2011; Loufrani-Fedida & Missonier, 2015). Some authors argue that these managers, in order to handle the challenges at the interface with the customer, have to deploy their competences to generate an environment of trust and collaboration (Meng & Boyd, 2017; Pinto, Slevin, & English, 2009; Webber, 2008; Webber & Klimoski, 2004; Wong, Cheung, Yiu, & Pang, 2008). Notwithstanding, there is a need to shed light on how project managers handle building this environment of trust and collaboration throughout their day-to-day actions. Therefore, this chapter, by analyzing the retrospective accounts of twenty-four project managers working for project-based organizations in the Colombian territory, aims to answer the following research question: Which are the project managers’ actions that enable the establishment of a relationship of trust and collaboration with their customer? By delving into the actions of project managers at the interface with the customer, this exploratory work offers a richer understanding of the complex phenomena of the relationships between the project managers and the customers and the impact of these relationships on the project development.

The chapter is organised as follows: It begins by reviewing what it is known about project managers’ competences and their link with intra- and inter-organizations’ relationships. It then analyses the problematic of the interface between the project-based organization and the customer. Next, the research setting is described, followed by the presentation of the results, i.e. the project managers’ actions that enable the creation of an environment of trust and collaboration. Following, it discusses these results and presents future research directions. The chapter concludes by identifying the managerial implications.

PROJECT MANAGERS AT THE CORE OF PROJECT-BASED ORGANIZATIONS

Project-based organizations coordinate all their activities using projects (Söderlund, 2015, p. 75). These projects act as temporary and almost independent organizations that directly interlace the project-based organizations with their customers, that hold extremely differentiated demands (Hobday, 2000; Sydow et al., 2004). Therefore, the success of project-based organizations depends highly on ‘decentralized’ work of different teams and on the actions of project managers that lead these teams (Sydow et al., 2004). Consequently, the project manager and project manager’s actions are at the core of the organization’s success (Loufrani-Fedida & Missonier, 2015). For the achievement of the project’s goals, these managers need to deploy individual competences that typically Project Management literature classifies as technical competences, management competences and human competences (Ahsan et al., 2013; Brière et al., 2015; Loufrani-Fedida & Missonier, 2015).
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