This is the author's version published as:


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Project-based IHRM: the emerging approach for the Post-GFC world?

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Abstract

This paper reviews some past emphases in IHRM, and recommends that IHR teachers and practitioners consider using project management methodologies to tighten the focus of our diverse activities.

The noise of solemn assemblies

A look back to the proceedings of our meeting in 1992 in Ashridge UK shows that 20 years ago, we said our contemporary issues were expatriate management and 'going international'. With the benefit of hindsight, it's easy to regard our concerns then as a little naïve, in terms of where we now stand. 'Going international' is now so familiar as to be unremarkable. International travel has become routine, along with working internationally. It has just become part of what most of us do. We expect to do it, and we are expected to do it, competently, interculturally, and without complaint.

We should be cautious about appearing too wise now, however, if only because our pressing matters of today may look a little inappropriate in the year 2030. For example, were we wrong, back then, to be concerned about expatriate preparation, support, and expat assignment failure? I don't think so. The human and financial costs of assignment failure were and still are high. They are still with us.

Were we wrong with our efforts in cultural awareness training to make every effort to humanise the workplace and to bridge the cultural divides between nations?

And a glance at the proceedings of the 1994 meeting of this conference on the Gold Coast in Australia, with its theme of 'research and realities', tells us that then, a generation ago, our minds were set on operational issues, as we applied mind and effort to find a better way to manage people in ever more complex environments. And rightly so. We debated everything from compensation to Confucius.

In retrospect, one paper in 1994 stood out to me particularly, by a Bruce Lloyd, from Southbank University London, on 'Ethics, Corruption, and the abuse of power. I wonder what became of him. He argued bravely for greater openness and accountability, and all before Enron, Lehman Brothers, and the GFC, and asked where it was appropriate to draw the line. Perhaps he's smiling now, 'I told you so'. I wonder if he has looked at Russia, China, and Greece, in this regard.

We continued to ponder the complexities of different values across cultures in our meetings in San Diego (1996), Paderborn(1998), Limerick (2003) and Tallin (2007). Our concerns were sincere, and among other things, we tried to help expats negotiate their complex environments. We didn't know it then, but we were moving steadily as a world towards global financial system meltdown. Companies felt the strain and people carried the pain.

Operating in conditions of uncertainty

Then only last year, at the June 2009 meeting of this conference in Santa Fe, keynote Dennis Briscoe spoke of 'the New World of IHRM: Learning to thrive on chaos'. He made the cogent argument that the labour force was moving into uncharted waters, with a move from agriculture and manufacturing into services, with the challenges of globalisation, technology,
and demographics. He likened business to whitewater rafting, with IHRM as operating in ‘permanent white water: chaotic and unpredictable.

What has happened since June 2009 that might influence our perspective in this June 2010 meeting in Aston of our IHRM conference? Our theme is ‘Managing Human Resources in the Challenging Global Context’. The white water of unpredictability is still with us, and shows no sign of abating.

Sparked by the subprime mortgage crisis in the US, we have all experienced a global financial downturn from which recovery is patchy and unsteady. We are only slowly emerging from the recent chaos, and some are predicting still more to come, with Greece, Portugal, Spain, and perhaps even Italy, are looking precarious. Consumers are still tightening their belts, although regulators are now more vigilant for abuses of the financial system, which came so close to collapse in 2008. Perhaps some formerly large international companies have learned the error of their ways. Perhaps.

We’ve seen some green shoots of economic recovery from the near-train wreck of the global financial crisis, but we continue to see evidence of the greed, incompetence, and corruption that hit companies large and small in almost every nation. ‘Business as usual’ just doesn’t work anymore. Governments that gave life-saving fiscal stimulus packages and bailouts to desperate firms are now backing off, so as not to inadvertently heat up the economy and push up inflation and unemployment.

The loss of trust

In 2010, we are beset by the twin perils of optimism and caution. We are optimistic about resource stocks and China’s strong economy, but pessimistic that global leaders can work well together. China wants to control who US President Obama talks to (describing his meeting The Dalai Lama as ‘deeply offensive), while censuring as interference in its sovereign affairs any comment on its imprisoning of expatriate managers for what most would describe as normal business operations (such as Australian Rio employee Stern Hu). Even conservative comment is puzzled by China’s ‘undiplomatic obduracy’ (The Economist, 2010). Meanwhile, the US wants to continue selling ever more an expensive arms to the world and to Taiwan in particular. The era of post cold-war innocence is definitely over.

While on the one hand there are episodic outpourings of support and grief for events like the Haitian disaster with its stunning figure of over 230,000 killed, governments are continuing to flex their muscles to retain power and national advantage – because they can.

Dissidents in China and anti-Japanese whaling activists in Australia are simply squashed – literally, in the latter case, when their boat was rammed. In Myanmar, the generals continue to oppress the people, and politicians continue to raise hopes that they will address global issues like climate warming and pollution, and terrorism and poverty, and then fail to even engage in meaningful dialogue at Copenhagen. Carbon trading seems to have slipped off the list of things needing doing. And the list gets longer daily.

We watch and applaud movies about the horrendous exploitation of women and children (remember ‘Slum Dog Millionaire’?), and the way IEDs blow holes in foreign policy ‘The Hurt Locker’). When will we learn, and when will we change? Are there any lessons at all in Afghanistan for IHRM? Is the gulf between the West and Islam impossible to bridge? France and Belgium are grappling with banning some forms of dress as in conflict with national values. Are the cultural differences altogether too much for IHRM, as well as for politicians?

The seemingly-intractable stress of terrorism has sapped our trust in our institutions and our sense of purpose. As expatriates languish in a Chinese jail, Justice there seems as flexible a concept as that of a national border, and MNCs continue to exploit the natives (just about everywhere) in the hunt for the pressured profit.
Does IHRM have anything to say in the face of this personal oppression and corporate greed? Or as HR professionals, are we so committed not to offend that we just keep quiet?

Do we still care about human welfare and ethical values, and do we still even derive our legitimacy from among others these concerns and our professional attempts to address them? At the very least, we can alert organisations of the human costs of their strategies and operations.

In the past year, we have been looking for ways forward with grand but ineffective conferences like Copenhagen and climate change. The old rivalries and suspicions returned, and HR experts have gone back to figuring out the safer smaller questions of recruitment and selection procedures. The baby boomers started retiring, and Gen X and Gen Y started claiming managerial territory, while the baby boomers worried about the inflation and loss of retirement income, and how many years we would need to postpone retirement to make up the shortfall.

Too often, we feel confused and angry, as if we’ve lost the plot, without ever quite knowing what it was anyway. Our lifestyles, like our currencies, have been devalued, and our behaviour as societies episodically slides back into ignorant racism and mindless violence, with only occasional coordinated action likely to produce good results. Even action on clean water, clean air, and reliable electricity, usually has to wait until those in power are threatened with losing it before they will act.

Is it all too hard? In the wake of the GFC we’ve lost trust in governments, management, Wall Street, and the ability of whole nations to repay their sovereign debts. Now this is happening in the EU, and not just in some long-impoverished African regime. We wonder who will be next to admit to incompetence on a national scale of living beyond our means, on borrowed time, and borrowed money. Sometimes, someone has to pay.

Admittedly, the problems are not straightforward, and the solutions are equally complex. There is a natural temptation to engage with a problem that we want to solve, rather than the one that really ought to be fixed first. As one rugby coach said to his team: ‘if the ball gets slippery, play the man’. It changes the game.

Remember that old logical fallacy: ‘something must be done. This is something, therefore it must be done.’ This is equivalent to saying ‘all ducks are black. My dog is black. Therefore my dog is a duck’. We know that is wrong, but it takes a moment to explain the reason. We know the problem is complex, but we are tempted by the easily available answer- to some other problem. We convince ourselves we are doing something useful, when in fact we are just doing something.

In the US, whenever there is a financial crisis, with all the insecurity that accompanies it, you can bet there will be a popular movement against big business and big government, pretending it is another Boston teaparty, with a Sarah Palin-like figure who will call for simplistic solutions to complex problems and the good guys get to throw off foreign and rapacious restrictions, as if hysterically punishing a few will satisfy the many.

Who better to blame than big business and the government? It was their fault, right? Well, yes, they did rather let us down, with their irrational exuberance’, but then again, we did think we could just keep on borrowing against the future, and maybe never have to repay, or repayment was unavoidable, only with inflation-adjusted dollars. It was a magic carpet ride, devoid of bumps or visible means of propulsion.

And then it crumpled, recession was everywhere, and fear took a grip in the community. The stress on economies and peoples was great indeed. If only bombing a country made things better, because we are good at that.
Certainly, we live in interesting times, characterised by enduring conditions of uncertainty. Our general management colleagues know that in conditions of uncertainty, a methodology such as those accepted in project management may offer the best way forward. Let me explain.

**IHRM and Project Management**

With this backdrop, and before we lose all hope, let me respectfully suggest we take strength and direction from our traditional roots in HRM, where above all, we have along history of concern for justice and human welfare. And affirming this motivation, why not use the readily available toolkit of project management (Project Management Institute, 2008) and apply it as 'international project-based HRM'? The benefits are significant (Davidson, Simon, Woods, & Griffin, 2009):

1. Opportunities (for business) are investigated through rigorous framing workshops that challenge convention, invite innovation, and test for alignment with corporate mission and objectives. They also mandate environmental analysis and stakeholder engagement - which ought to inhibit some of the corporate excesses of the past, as well as encouraging a more ethical emphasis on the people involved in and impacted by the project.

2. Resource deployment can be considered early in the process of objective creation within the project scope that defines what is within and not within the project. Objectives and benefits are explicitly linked, and project maturation thus has its purpose expressed as benefit realisation (not just achievement of objectives).

3. Accountability can be defined with benefits tracked and reported. This in itself ought to make for less waste of effort and resources, as well as keeping the focus on yielding the desired benefits, while rewarding productive efforts by employees.

4. Project objectives are established transparently, with a clear logic that links strategy, implementation, benefits, and evaluation.

5. Project promises of cost, schedule, quality and sustainability (including health and safety) are also made explicit in project management methodology. These, and the trade-offs between them, are usually of great concern to the HR manager. We need to get involved in the strategic and operational discussions about these, especially where the organisation operates across borders and cultures. They profoundly affect the people in the system.

6. Remembering that most projects fail because of scope problems, scope management is crucial, to enable scope change in response to change in the operating environment. The project management emphasis fosters a focus on what people are doing, why they are doing it, how they can do it, and when they do it. This is very relevant to IHRM, especially for workforce development in the service of defined objectives.

7. With a PM approach, all HR decisions are taken in the light of project objectives, and all strategy is aligned to corporate objectives and benefits, with defined key performance indicators.

8. Perhaps more than any other benefit, a PM approach in IHRM would see us improving our management of risk, and especially HR risk – from risks to the safety and welfare of our employees to succession planning as a risk management strategy to build organisational capability. If a stage-gate model is used in a project-based
organisation, can make a strong contribution to knowledge management within and beyond the organisation (Davidson & Rowe, 2009).

9. All this front-end loading means careful planning for the employment of human and other resources. It will also mean a readiness on the part of HR academics and professionals to enter into ‘courageous conversations’, and be prepared to point out and even oppose corruption and exploitation when we see it. This is no easy task.

Who knows, we might even examine our own HR policies and procedures, not just for alignment with high-flown corporate vision, but for ethical and responsible outcomes. That way, using the methods of project management to maintain sensible managerial control and remain focussed on outcomes and benefits, we may further the cause of justice and human welfare internationally.

Coming in on time and on budget may then have a higher purpose: corporate social responsibility and global citizenship - not just successful project management. ‘Post-GFC’ might be changed to read ‘Post-GIC’ – post greed, incompetence, and corruption. People deserve better. All of us do, in every country.

Conclusion

Us? Stepping up to be counted in relation to human welfare and workplace reform in the international arena? Us, talking about management as an enactment of justice, and as a way forward? Yes, we can. Indeed, yes, we should. If not IHRM professionals, then who?

References


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