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## **HRM operational models and practices to enable strategic agility in PBOs: Managing paradoxical tensions**

### **Abstract**

When project-based organizations (PBOs) pursue strategic agility, they develop increased adaptation capabilities such as improvisation, fluidity and flexibility. However, these capabilities also introduce paradoxical tensions between practices for enabling freedom vs. controlling, practices for combining work desegregation vs segregation, and practices for enabling peripheral vision vs enabling focal vision. In this paper, we set out to identify the HRM operational models and practices developed as responses to paradoxical tensions associated with striving for strategic agility in PBOs. Our paper contributes to literature by showing how HRM is implicated in the management of paradoxical tensions, and also in the dynamic nature of movements of paradoxical tensions arising from the improvisational tendencies of PBOs. We also argue that the role of HRM in sensing the emergence of paradoxical tensions within PBOs, and in managing responses to these tensions under time pressure, is becoming increasingly important for those PBOs aspiring to strategic agility.

### **Keywords**

Project-based organizations (PBOs), HRM, Organizational agility, Paradoxical tensions, Improvisation.

## 1 Introduction

Strategic agility in Project-based organizations (PBOs) allows for increased adaptation capabilities such as improvisation, experimentation, decision-making prowess, learning aptitude and resource fluidity and flexibility (Cegarra-Navarro et al., 2016; Doz and Kosonen, 2008, 2010; Lengnick-Hall and Beck, 2009; PMI, 2015). These capabilities, however, introduce paradoxical tensions such as stability vs. change, controlling vs. freedom, commitment vs. flexibility, or individual contributions vs. teamwork (Lewis et al., 2014). These paradoxical tensions also arise in HRM practice, and have been proposed as a factor that can affect an organization's strategic agility (Cunha et al., 2020).

When PBOs pursue strategic agility, they also develop strategy processes that allow for the rapid (time sensitive) systematic change, redirection and reinvention of the core business without losing momentum (Bredin and Soderlund, 2011). This requires distinctive improvisation actions – defined as dealing with the unforeseen without the benefit of preparation (Hadida et al., 2015). Therefore, the role of HRM in PBOs, (see Bredin and Soderlund, 2011; Huemann, 2016; Keegan et al., 2018a; Keegan and Den Hartog, 2018) might evolve and underpin the adaptation of nuanced models and practices in response to the tensions arising from the improvisational tendencies of PBOs pursuing strategic agility. To the best of our knowledge, these HRM models and practices in PBOs are yet to be researched.

In this paper, we set out to understand how PBOs that pursue strategic agility adopt specific HRM practices to support their ways of working and organising. Hence, we ask: *What are the distinctive HRM operational models or practices that support strategic agility and the paradoxical tensions arising from the improvisational tendencies of PBOs pursuing strategic agility?* By addressing

these questions, we answer the call by several studies (Bredin and Soderlund, 2011; Keegan et al., 2018b) for in-depth evaluation of HRM designs and practices in PBOs and how HRM is implicated within strategic agility (Ahammad et al., 2020). Our paper contributes to literature by showing the role of HRM in dealing with paradoxical tensions and the dynamic nature of movements of paradoxical tensions arising from the improvisational tendencies of PBOs. We also highlight the role of HRM in sensing the emergence of paradoxical tensions within projects and managing the movements within the tensions.

We begin addressing our research question by theorising strategic agility in PBOs in section 2. In section 3, we draw on HRM paradox theory and improvisation theory to analyse the HRM implications of strategic agility for PBOs in response to paradoxical tensions. In section 4, we present the method used for data collection and analysis. This is followed by section 5 where we discuss our results. In section 6, we discuss the managerial and theoretical implications of our findings before concluding the paper in Section 7.

## **2 What is strategic agility in PBOs?**

PBOs design operations that are unique, novel and transient, in order to deliver speedy customer-centric value (Turner and Keegan, 2001). Following Keegan and Den Hartog (2019: 221), “PBOs create projects as temporary organisations to perform tasks requiring the integration of inputs from different disciplines” and where “projects are the main form of work activity, the parent organisation operates multiple projects at the same time, and allocates people nominally housed within functions or units across different projects” (Keegan and Den Hartog, 2019: 221). PBOs develop systematic procedures for managing workflows, allocating skills across projects, and monitoring progress (Gemünden et al., 2018).

PBOs have long been associated with specific methodologies designed to allow them plan and execute projects and manage the complexity of multiple simultaneous projects drawing on common resource pools. Traditional project management has often followed a “waterfall” approach where each phase depends on the deliverables of the previous one and corresponds to a specialization of tasks (Andersen et al., 2009). Conversely, strategically agile PBOs approach projects in a fundamentally different manner which is premised more on improvisation than on planning. Agility in these types of PBOs evokes staying nimble and flexible, open to new evidence, always ready to re-assess past choices and change direction in light of new developments under time pressure (Doz and Kosonen, 2008).

Ananthram and Nankervis (2013) define strategic agility as responsive and timely decision-making, and the implementation of associated business strategies in advance of or in reaction to evolving trends. It involves improvisational actions (Ananthram and Nankervis, 2013; Pavlou and El Sawy, 2010) – defined as dealing with the unforeseen without the benefit of preparation (Hadida et al., 2015). Research suggests that strategic agility allows for increased adaptation based on the development of capabilities such as strategic sensitivity, decision-making prowess, learning aptitude and resource fluidity and flexibility (Cegarra-Navarro et al., 2016; Doz and Kosonen, 2008, 2010; Lengnick-Hall and Beck, 2009; PMI, 2015). When applied to PBOs, for example, agile projects are organised differently to waterfall style projects. Agile projects are broken into short “sprints” where rapid delivery of parts of a solution are tested in collaboration with customer(s) and requirements for change improvised in real-time as new problems emerge in terms of resourcing, technology or other issues. PBOs pursuing a strategy of agility promote the notion of fail fast and at a relatively small scale (an element rather than the overall deliverable). Strategic agility is a means for PBOs to develop coping mechanisms to respond to the growing complexity

and unpredictability of organizing projects in the contemporary business environment (PMI, 2015). Timely decision-making based on improvisation, rapid iterations and problem-solving, and closer links to customers on shorter timeframes, allows for the delivery of project outcomes in advance of or in response to ongoing environmental trends (Gomes et al., 2015; Osei et al., 2019). In other words, longer-term and more rigid planning gives way to shorter-term and more improvised solutions. This involves devolving decision-making latitude to agile teams and allowing them to respond to emerging trends and issues.

The focal point of strategic agility for PBOs is, therefore, strategy processes that allow rapid change, redirection and reinvention of the core business under time pressure without losing momentum- a feature that differentiates strategic agility from traditional strategic management (Doz and Kosonen, 2008, 2010). Strategic agility requires a continuous and rapid reallocation of resources and organisational capability referred to as resource fluidity. This involves both the alignment and fluidity of the organisation's vital resources, including its human resources (Dyer and Ericksen, 2008; Shafer et al., 2001). The central aim is to maintain strategic competitiveness through a continuous renewal of the firm, its business models and organisational and functional strategies (Sharifi et al., 2006). Strategic agility goes beyond disciplined flexibility and change routines that typically focus less on unplanned action- known as dynamic capabilities. It involves both distinct strategic improvisational actions and complex collective improvisation over time (Baker et al., 2003; Cunha et al., 2020; Hadida et al., 2015).

Improvisation involves dealing with the unforeseen without the benefit of preparation (Hadida et al., 2015) and occurs at different organizational levels. Both distinct strategic improvisational actions at the individual level and complex collective improvisation at the team and organizational

levels are relevant. For instance, improvisation can occur within one ('individual'), e.g., when dealing with the unexpected, responding 'in the moment', or adapting effectively to sudden changes (Hmieleski and Corbett, 2008). Second, it can also happen between two or a few ('interpersonal'), e.g., in a situated action that allows for making sense of contextual circumstances in emergent problem-solving (Charles and Dawson, 2011). Third improvisation can happen among many ('organizational') individual actors, e.g., in purposefully and spontaneously reconfiguring existing resources to build new project delivery capabilities and address urgent, changing and new environmental situations (Pavlou and El Sawy, 2010).

The role of improvisation in the development of strategic agility for PBOs is that it allows the development of competencies for adapting and moving quickly and smoothly, including in unexpected contexts where it is impossible to accomplish detailed plans. Research shows that even though improvisational actions cannot be planned, it is possible to deliberately develop conditions that allow for improvisational actions to happen and support strategic agility (Ribeiro et al., 2011; Winter, 2003). The work of Cunha et al. (2020) discusses the facilitating conditions of improvisation, particularly how an organization can develop and communicate its purpose. An organization's purpose provides a focal point for articulating paradoxical demands and making them individually meaningful for organizational members (Ulrich and Dulebohn, 2015). To achieve the kinds of improvisational capacities required for strategic agility, establishing a *purpose that simultaneously coordinates and liberates* is important. Individual and team reactions to unexpected events are supported in real time while a focus on purpose as both liberating and coordinating allows for strategic coherence even with unplanned improvisational actions. A paradoxical purpose can, therefore, serve as the improvisation referent (Miner et al., 2001; Weick, 1993) and allow for the organization to set priorities, including local priorities, during

improvisational activity. This brings to light key HRM issues involving paradoxical tensions which we discuss in the next section.

### **3 The HRM implications of Strategic Agility for PBOs: Responding to Paradoxical Tensions**

#### *3.1 General insights from extant scholarship on HRM in PBOs*

The role of HRM in PBOs is increasingly well researched from a ‘traditional’ HRM practices perspective (Bredin and Soderlund, 2011; Huemann, 2016; Popaitoon and Siengthai, 2014). Concerning HRM practices in PBOs, studies have identified practices not usually found in conventional HRM including project assignment practices and practices for dispersion after projects have finished (Eskerod and Blichfeldt, 2005; Turner et al., 2008). Concerning operational models for how HRM practices are designed and deployed, researchers have identified polyadic HRM systems in PBOs (Keegan and Den Hartog, 2019) which involve the dispersion of HRM responsibilities between line and project managers and devolution of HRM to individual team members (Keegan et al., 2012; Bredin and Soderlund, 2011). The dynamic nature of HRM systems with shifting roles of actors within and between projects is a key feature distinguishing this from traditional organizational contexts (Bredin and Soderlund, 2011; Keegan and Den Hartog, 2019). The non-conformity of PBOs to annualized timeframes for HRM practices has also been identified (Burke and Morley, 2016; Keegan et al, 2012; Keegan and den Hartog, 2019).

#### *3.2 The paradox of agile HRM*

As well as general HRM PBO practices and operational models described above, we examined existing research for insights on the improvisational actions and behaviours likely needed by members of PBOs pursuing strategic agility, and resulting paradoxical tensions that could impact

on PBOs pursuing strategic agility. Viewing these tensions from a HRM paradox perspective could offer potentially valuable insights and the basis for important research questions. Paradox theory asserts that organizations should accept and even embrace the coexistence of contradictions (Brandl and Bos-Nehles, 2012). Paradox is defined as interconnected features which even though they seem consistent in isolation, are conflicting, incompatible or contradictory in juxtaposition (Andriopoulos and Lewis, 2008; Smith, 2014). Tensions arising from handling paradoxes can affect the ability to manage employees, communicate with them, motivate and incentivise them, and develop them as teams.

Research shows that paradoxical tensions can induce stress, anxiety, discomfort, or rigidity in decision making and responses to organizational situations (Putnam et al., 2016). Paradox studies, explore how organizations can attend to competing demands simultaneously (Smith and Lewis, 2011). Given the uniqueness of organizing processes in PBOs, and challenges of strategic agility associated with the improvisational tendencies of PBOs, understanding how PBOs approach paradoxical HRM tensions can be extremely useful.

When actors employ defensive approaches to paradoxical tensions, such as repression, splitting, denial, or overemphasizing one element over the other, the underlying confrontation of elements is not resolved (Keegan et al., 2018a) and the persistent interrelationships between the elements, if ignored, can even cause organizational decline (Ehnert, 2009).

Can we identify distinctive HRM operational models or practices that support strategic agility and approach paradoxical tensions arising from the improvisational tendencies of PBOs pursuing strategic agility? We propose that a focus on HRM operational models and practices in PBOs, and their roles in helping organizations respond to paradoxical tensions, can be useful for expanding

our insights on achieving strategic agility in PBOs. We focus on both HRM practices and operational models as researchers highlight “the need to consider the implications for all employees, including HR employees, of embracing agile” (Mc Mackin and Heffernan, 2020: 3) and because there appears to be a consensus that HRM plays a role within strategic agility (Ahammad et al., 2020; Doz, 2020; Gomes et al., 2015; Xing et al., 2020) even if to date, there have been few empirical studies in this topic in the academic HR literature (McMackin and Heffernan, 2020). Our research question is: What HRM operational models and practices are developed in responses to paradoxical tensions associated with striving for strategic agility in PBOs?

### *3.2.1 The paradox of agile HRM – improvising within purposeful boundaries*

For PBOs aiming for strategic agility, the literature suggests that as the complexity of the environment grows, project teams’ responses must be requisitely creative (Havermans, Den Hartog, Keegan and Uhl-Bien, 2015). However, project teams must also operate in ways that converge on client’s goals such that improvisation and innovative action needs to be guided and disciplined (Lewis and Luscher, 2008). One way to manage the paradoxical tensions of promoting creativity/bounding creativity of project teams is to emphasise clarity of purpose. To guide and empower people to be creative, while simultaneously helping employees to make sense of requirements for action within particular boundaries, a purpose of disciplined creativity should be communicated (Fredberg, 2014). The communication of *a paradoxical purpose* to guide individual, team and organizational actions and behaviour in PBOs, with the aim of pursuing strategic agility, suggests the importance of communication from an HRM perspective. Paradox is not a new theme for HRM (Ehnert, 2009; Aust, Brandl and Keegan, 2015). For example, prior work has identified and described a wide variety of HRM paradoxes (Keegan, Brandl and Aust,

2019) including structural paradoxes like the need for centralization *and* decentralization, and the need for hierarchy *and* lack of hierarchy (see for example Boselie et al., 2009; Cunha et al., 2011). If strategic agility in PBOs is to be achieved, how do companies use HRM practices to communicate paradoxical purpose for creativity/within boundaries?

### *3.2.2 The paradox of agile HRM – empowering and ensuring accountability*

Existing research suggests that the conditions facilitating improvisational capabilities involve *developing structures that both empower actors and spur accountability*. Research by Patriotta and Gruber (2015) suggests that agility is sustained by a paradoxical approach to structure. Partial structure supports improvisation but overly rigid structures can stress conformity and constrain innovation which damages improvisation (Cunha et al., 2020). Conversely, highly unstructured settings can produce unfocused improvisations and underpin ineffectual improvisations given an unexpected situation (Criscuolo et al., 2013). From a paradox HRM perspective, the question arises as to whether HRM operational models and practices are developed in a manner that approaches the paradox of too much/too little structure in ways that allow for effective improvisation and avoid complete chaos and disorder (Hadida et al., 2015). How do HRM operational models and practices cultivate paradoxical organizational structures that both empower employees to improvise, and yet guide them and require accountability from them for the type of improvisation?

### *3.2.3 The paradox of agile HRM -protecting and challenging*

HRM operational models and practices may also be implicated in *nurturing teams that both protect and challenge team members*. Practices in areas like performance management and compensation may be influential in supporting or undermining psychological safety in the workplace (Edmondson and Lei, 2014) and influence employees' perceptions of risks and outcomes of

improvising and risking well-meaning mistakes (Havermans et al., 2015). How do HRM operational models and practices both protect workers when improvising while also challenging them to aim for improvisational outcomes?

#### *3.2.4 The paradox of agile HRM – encouraging self-confidence and humility*

Improvisation encompasses some form of risk taking as the performed action happens simultaneously while it is designed and often happens when routines are seen as not appropriate. This presents risks associated with improvisations (Hadida et al., 2015) that are ineffective or even lead to harmful outcomes (Batista et al., 2016). Organizations need to build the self-confidence of employees, and set high expectations for their members to engage in improvisational and agile actions (Finkelstein, 2016; Magni et al., 2010). However, excessive self-confidence can also be detrimental. It can stimulate carelessness and disregard for rules in a dynamic business environment (Cunha et al., 2017). Building employee self-confidence should be approached in ways that also consider building humility which can obviously create paradoxical tensions. This paradoxical tension must be inculcated within the organization's approach to employee development such that they are willing to take risks to improvise but also understand that improvisation is risky and humility is often required to avoid problems linked with excessive self-confidence and ignoring problems.

#### *3.2.5 The paradox of agile HRM – enabling focus and peripheral vision*

Improvisation is facilitated by having both focal and peripheral vision. An organization's peripheral vision can be explored to increase its market orientation and responsiveness to immediate market intelligence. Examining the periphery, therefore, can help create a predisposition to improvise through taught awareness to respond to the environment (Day and

Schoemaker, 2004; Kyriakopoulos, 2011). Paradoxically, research has shown that organizations can gain value from focus, highlighting the importance of clear goals, established plans, and other attention-focusing conceptual tools (Schlegelmilch, 2016). How do HRM operational models and practices ensure the inculcation of both focus and peripheral vision as the basis for opportunities for PBOs in their pursuit of strategic agility.

The extant literature on strategic agility, applied to the PBO context, suggests potential for a range of paradoxical tensions. Our research question is: What HRM operational models and practices are developed as responses to paradoxical tensions associated with striving for strategic agility in PBOs?

#### **4 Method**

Our study uses a two-step purposive sampling of PBOs. First, we sought companies that identified themselves as PBOs pursuing strategic agility. Our justification for identifying this category of companies was to ensure that the sampled frame would provide a context that allowed us to focus on examining how HRM is implicated in supporting agility in PBOs. We identified and approached companies affiliated with the *Agile Future Forum* on the basis that such organizations, at least on an aspirational level, explicitly identify agility as an issue with which they are interested and wish to be involved. We approached 100 organizations from the Agile Future Forum and invited them to participate in this exploratory research. Next, we reviewed the shortlisted organizations and selected 23 organizations we identified as having clear project-based structures (Maylor et al., 2006). Our criteria for selection are based on our definition of PBOs as companies that do most of their work through projects; define themselves as organizations that consider 'Management by Projects' as an organizational strategy; use projects as temporary organizations

for the performance of key business processes; manage a project portfolio of different project types; have a permanent organization to provide integrative functions; perceive themselves as project-oriented (Miterev et al, 2018; Keegan and Turner, 2002; Gareis and Huemann, 2000).

Based on this sampling approach, we identified 23 organizations fitting these criteria and carried out 32 semi-structured interviews (Miles and Huberman, 1994). Participants were purposively sampled and interviewed based on their capacity to provide insights on HRM practices in their organizations (Robson, 2015). We were interested in exploring the opinions of HR leaders and senior managers who have insights on agility-oriented HR strategy in the PBOs studied. This design is in alignment with the views of Cooper and Schindler (2013) who argue that in an exploratory research, semi-structured and in-depth interviews with participants are helpful in discovering what is happening and in obtaining novel insights. The interviews were recorded and transcribed. A breakdown of interviews by organization is shown in Table 1. As participants were promised complete anonymity, information such as their names or positions within the organizations is excluded. All interviews were conducted to ensure confidentiality for participants and in alignment with pre-designed interview protocols.

**\*\* Please insert Table 1 \*\***

The interview protocol was designed to ensure the reliability of the data collection process (Yin, 2003). The research questions provided a guide and the final protocol consisted of several open-ended questions. These were tested in a pilot focus group for clarity before being used in the actual data gathering phase. The themes emerging from the data were constantly monitored during the data collection to investigate if additional questions should be added to explore new areas of enquiry based on emerging concepts and ideas (Richards, 2012). Following this approach, data

collection and analysis, as well as the development of themes, constituted an ongoing and iterative process (Miles, Huberman and Saldana, 2014). To facilitate this iterative process, data analysis took place immediately after each interview allowing the researchers to revisit the interview protocols and to refine or add further (sub)questions to be addressed during successive interviews in the same organization or in other organizations.

Template analysis (TA) was used to thematically analyse the interview data. The analysis began by defining a priori themes based on the existing theories and the review of literature before field studies. To construct a priori themes, the main components and issues in relation to the research question were extracted from existing literature and summarised. This guided the analysis soon after the first interview was conducted and transcribed. Data transcription allowed for familiarisation by carefully listening to the recordings and reading through the transcriptions while highlighting and making notes of newly emerging themes and anything relevant to the research questions and a priori themes (Saunders et al., 2009).

Next, we assigned preliminary codes to the sections of text which seemed to be associated with relevant issues of the research. This was done with the aid of NVivo in which different segments of the transcripts were attached to initial codes. The use of Nvivo facilitated the iterative process of editing the inductively defined preliminary codes, modifying existing a-priori themes (pre-defined codes) as well as developing new themes. Next, the hierarchical mechanism of the software was used to group, divide and subdivide the identified categories into meaningful groups of codes within which relationships between coded data were clearer. This led to the production of an initial template which was refined by merging codes to form themes. We further identified and discussed the HRM model and practices, and analysed the theoretical implications of our findings. We

adopted a pragmatic approach to the number of interviews and continued to gather interview data until the data gathered to explore main themes began to show data saturation (Cooper and Schindler, 2013; Robson, 2015). While a clear cut-off point for qualitative research is usually difficult to find, we judged the interviews as complete when the latter interviews produced repetition on a much greater level regarding the main themes than earlier interviews

## **5 Results and discussion**

We now report our findings on how HRM operational models and practices are developed as responses to paradoxical tensions associated with striving for strategic agility in PBOs. We identified HRM practices associated with organizations pursuing innovation (Shipton et al., 2005) and customer orientation (Rogg et al., 2001) often mentioned in the literature as likely to enable change and be associated with an agile orientation. These include familiar HRM practices such as selecting for broad based skills rather than narrow skills in order to accommodate changing requirements linked with innovative business models. The organizations in our study also select for broad tasks rather than designing jobs for specific tasks, etc. These findings are not surprising and align with literature showing that the pursuit of innovative and customer centric strategies requires the broad development of employees capable of functional flexibility (Burns and Stalker, 1961; Keegan and Turner, 2002). Alongside the practices one might expect to find in innovation oriented PBOs, we identified HRM operational models and practices that are developed specifically as responses to paradoxical tensions associated with striving for strategic agility in PBOs. The main themes are *5.1 Practices for enabling freedom vs. controlling*; *5.2 Practices for combining work desegregation vs segregation*; and *5.3 Practices for enabling peripheral vision vs enabling focal vision*

### 5.1 *Practices for enabling controlling vs freedom*

Controlling is about structuring, establishing processes, supervising and coordinating (Jackson et al., 2014; Meijerink and Keegan, 2019). This can result in routine, and routine can counteract agility (Hodgkinson et al., 2016). However, too much freedom can result in strategic drift which can also neutralise agility. By freedom, here we are referring to structure (or lack thereof) that allow for devolution of decision-making latitude, liberation of processes and autonomy to improvise, experiment and innovate rapidly. We discuss how HRM in PBOs deal with this paradox in 5.1.1 and 5.1.2.

#### 5.1.1 *Practices for enabling experimentation vs maintaining a structured approach to projects*

The first set of HRM practices we found in the PBOs we studied and that are linked to responding to the paradoxical tensions of strategic agility are simultaneous though contradictory practices that enable experimentation vs maintain a structured approach (Edmondson and Lei, 2014). Employees are empowered to speak up and question the status quo, and to experiment with work processes and activities in pursuit of agility. This exists alongside HRM practices that require organizational members to follow processes and recognise limits to experimentation. There is clear recognition of the need to balance both disruptive/experimental and structured/process driven capabilities within a team to support strategic agility (Edmondson, 2008). The synthesis of disruptive and process driven capabilities engenders organizational sensitivity to both the rapid *exploration* of opportunities and the delivery of customer centric services within *established* processes. A complete lack of process can create strategic drift such that employee focus on “trying different things because it’s quite interesting” whilst a lack of freedom to improvise and experiment will create strategic rigidity (House et al., 2013; Pavlou and El Sawy, 2010). Our findings show accommodating disruptive capabilities can be conducive for agility as employees are freed from

constraints, allowing them to question status quo, change flexibly and create novel ideas under time pressure. However, this freedom, as the quotes in Table 2 indicate, is not absolute. Balancing the encouragement of disruptive tendencies with the need for employees to adhere to established processes creates tensions for employees.

HRM practices accommodate these tensions in how employees are appraised, acknowledged and rewarded for their contributions to both processual adherence and ‘out of the box’ improvisational contributions (See Table 2). HRM practices adapted to this challenge by *Nurturing success and protecting employees from failed experimentations*. Performance appraisal is based on shorter-term project-durations of various lengths and hinging on individual and team outputs (Keegan et al., 2018a; Keegan and Den Hartog, 2018) rather than business driven annual appraisal measures (Brandl and Bos-Nehles, 2012). As reported in literature (e.g., Huemann et al., 2019; Samimi and Sydow, 2021) we found that because work relationships are mostly between project team members and project managers, appraisal practice shifted performance appraisal from being solely line management responsibility to involve others interacting directly in projects (Bredin and Söderlund, 2011). HRM practices were also designed and deployed to establish clear project objectives and inculcate an atmosphere of trust and safety with employees (Edmondson, 1999). Such an atmosphere contributed to agility by promoting self-confidence and allowing the development of strong project team dynamics which can make employees respond quickly even in the absence of routines (Sumukadas and Sawhney, 2004). We could argue that these more tailored and project-based appraisals are reflective of a more general trend in performance management to move away from annual appraisals to more frequent check-ins, facilitated also by advances in performance management software and eHRM systems (Goler et al., 2016). These more agile performance

management systems can facilitate team members to provide rapid feedback to each other using digital technology.

Whilst encouraging experimentation, we also found that HRM practices *encourage success while supporting employees involved in failed experimentations*. HRM encourages failures to be talked about in a positive manner such that employees are not discouraged from further experimentations. Improvisational traits that emerged from nurturing success and protecting employees from failed experimentations include "learning by doing," which is a particularly an effective way of learning within project teams. This makes employees able to continuously and rapidly identify, apply and sustain their creativity. Furthermore, employees develop ability to experiment in a careful way (given that they still have to do it within the bounds of an organizational objectives), and take calculated risks. However, a balance needs to be attained between encouraging successes and supporting failed experimentation (Edmondson, 2008). Too much emphasis on success will discourage experimentation and too much support of failed experimentation will develop complacency and carelessness within the workforce.

Similar to the paradox of nurturing success and failed experimentation, HRM practices also accommodate the paradox of *acknowledging the contributions of both process-adherent and 'out of the box' contributors*. Process-adherent contributors are process driven, routine and very structured in their approach. They organize around logic and rules, and rarely experiment. An overly processual workforce can, however, be pernicious to spontaneous behaviour and undermines strategic agility (Pavlou and El Sawy, 2010).

On the other hand, out of box contributors can be disruptive and experimental in their project delivery approach. For this type of employee, process driven approaches can be constraining. As

discussed earlier, both orientations are essential to agility and need to be recognised, and rewarded. We identified a wide range of recognition and reward practices with some specific agility enabling practices from our data set. We illustrate the findings in Figure 1. For instance, we identified the use of a peer reward and recognitions practices in which employees are empowered to reward customer-centric project contributions and collaborations using an online “e-spot bonus” as cited below.

*"We have an online reward and recognition system as well, so anybody in the business can reward and recognize anybody else...[for example] If one of my colleagues does something, really helps me out, delivers a benefit to a customer or gets my project moving quicker than otherwise would be the case, I can actually go online and give them a hundred quid [£100] worth of vouchers..." (Interviewee 5)*

Such spot bonuses instantaneously reinforce improvisational and agility-oriented behaviour, but also recognise processual as well as ‘out of the box’ contributions as they happen in a project. Instant feedback can reinforce these actions.

**\*\* Please insert Figure 1\*\***

We also identified a project-based rewards system (see below). This practice focuses on rewarding project contributions at the end of each successful high-level project. The practice is deployed in addition to the monthly and annualized compensation.

*"When the programme [referred to by interviewee as a high-level project] is finished, if the programme has been successful and they [team members] achieve what they were to achieve there is quite a big financial reward for the programme contributors and apart from the financial side of it, for most employees the pure recognition of their contribution is a key motivator for them" (Interviewee 17)*

Notably, upon completion of the project, the case for reward is put forward by the project manager and approved by a strategic member of organization. In this context, the line manager appears to have been excluded from the process.

*“... the programme leader who is also project manager will be mentored by one of our VPs, so it’s at quite a high level, the programme leader then reports on a regular basis... Based on the success of the programme, he will make a case to him [the VP] for the bonus”  
(Interviewee 17)*

This project-based practice of reward and recognition aligns with the team and project delivery lifecycle which considers both process-adherent and ‘out of the box’ team members, hence, accommodating, the paradoxical tension of recognizing both processual and ‘out of the box’ contributions. The project centric nature of this HR practice allows project teams to focus on the quality and specifics of defined or redefined project deliverables, improvising and focusing on responding to project needs knowing that a case for their contributions will be made by the project manager who has a good knowledge of their contribution to the project. The project by project basis of recognition may also mean that an employee could receive as many recognitions and rewards as her/his involvement in different projects.

**\*\*Please insert Table 2\*\***

### *5.1.2 Practices for combining management structure vs. devolving decision-making*

Strategic agility involves both distinct strategic improvisational actions and complex collective improvisation over time (Ahammad et al., 2020; Cunha et al., 2020). Moreover, improvisation is supported by management structures and approaches to decision-making that allow for spontaneous reconfiguration of existing resources to build capabilities for addressing urgent and

changing contexts. Management structure includes standard operating procedures and routines, how activities such as task allocation, coordination, and supervision are managed, and decision-making directed toward the achievement of organizational aims.

We found that HRM enables strategic agility in terms of job design, decision-making and coordination practices. Flatter project chains of command through the *delaying* of project work and devolving responsibility for decision-making to lower levels enables project team members to make decisions and take risks.

*“...it’s the type of competencies that we support in the organisation, in giving people, trusting people to be able to make the change, giving them the ability to be able to make decisions, having a relatively flat project chain of command so it doesn’t take long to have a decision made, that we allow risk taking, risk taking that we can manage” (Interviewee 16)*

Delaying of project work and devolving responsibility for decision-making offers opportunities for delegation and empowerment as more authority is passed down the hierarchy and/or the hierarchy within project teams is flattened. Research also suggests that agility is supported by implementation of appropriate structures, not necessarily by the lack of structure (Patriotta and Gruber, 2015). So how is HRM implicated in managing the tension of maintaining appropriate control through structures while also delaying of project work and devolving decision-making? How is HRM used to respond to developing management structures that both liberate and control? We illustrate our findings in table 3.

**\*\*Please insert Table 3\*\***

As illustrated in Table 3, the PBOs studied recognised that an emphasis on too much liberation in management structures at the cost of maintaining control resulted in misplaced creativity and deviations from organizational objectives. The organizations developed methods of evaluating and approving ideas combined with job design aimed at empowering and enable devolved decision-making. HRM practitioners in this context play the role of a strategic partner in implementing appropriate management structures that support the strategic positioning of the organization while also liberating actors to achieve strategic agility. What also emerged from our data is a recognition that the more *liberating the decision-making structure is, the more the need to embed accountability and to avoid having “authority without responsibility”*. By maintaining an appropriate management structure to support strategic agility, certain employee improvisational traits were nurtured. These traits include: employee’s ability to dynamically adapt to structures, yet be able to operate in an empowered manner; employees with customer centric attitudes; employees that are more receptive to change; and employees that are capable of changing job roles to fit prevailing structure.

Another finding that emerged from our data is how *delaying is achieved through the use of temporary and contingent project employment* including outsourcing and agency employees to allow for easy configuration and reconfiguration of project capabilities and a flatter project hierarchy. Flat project chains of command likely enable faster decision making and risk-taking attitudes and these can be achieved by hiring independent contractors who are experts and can strengthen existing teams, particularly in terms of innovation capacities, without the need for supervision or direction (Burke and Cowling, 2020). However, there are questions regarding the implication of delaying achieved through temporary and contingent project employment within the organization. In light of the short-term nature of employment of outsourced or contract labour

enabling this kind of agility, how is the underlying agility capabilities maintained and embedded organizationally given the temporary nature of employees? To what extent does the use of temporary project employment, and its implication for job security, affect project team morale? Other theoretical questions arise regarding the nature of contingency staffing to achieve agility, including how trust is managed and whether the workers hired are re-hired on other projects and in this manner embedded in project networks. This practice of delayering may enable organizational agility through faster decision-making and risk-taking process, but may, conversely, inhibit organizational agility through its wider effect on project team moral, trust and continuity of knowledge flows from projects.

#### 5.2 *Practices for combining work desegregation vs segregation*

We found that in fostering a collaborative agility-oriented project environment, HRM practices are adopted to ensure that the work environment is not only delayered (as previously discussed) but also that project teams are *desegregated* within their physical work environment. This is a key way of developing opportunities for team collaboration and integration in almost real-time, such that teams co-exist to work on parts of projects simultaneously, and to interact with each other to ensure rapid adaptations when interdependencies emerge between the project work as illustrated in Table 4. *Desegregation* takes the form of organizing and reorganizing the physical work environment such that project teams are co-located within a proximate space (Kerrissey et al., 2020; Stahl and Björkman, 2006). The temporary nature of project organizing within the organization and the fact an employee can be involved in more than one project at a time, means that HR managers work very closely with project employees in such a way that they seek to configure and reconfigure teams to match the characteristics of project priorities as cited below:

*“...my focus has been about creating an environment that encourages more collaboration, more productivity, so that the focus has very much been on that, it’s more about creating an opportunity that brings together different project – businesses... And what we’ve been doing is moving them [teams] into one building and creating quite a different way of working that’s been quite transformational...., and creating an opportunity to be more productive, more collaboration, more agile in the way in which people work on a daily basis”. (Interviewee 7)*

However, we also observed that alongside the formation of project-based desegregation to allow for fluid team boundaries (Edmondson and Harvey, 2018; Kerrissey et al., 2020), HRM practices aimed at integration between members of the organization to promote agility exist alongside practices allowing for individuals to isolate. As shown in Table 4, HRM practices aim to nurture paradoxical features of *interactive and solitary* working, and providing facilities to allow both desegregation and segregation with workplace design that accommodates work differentiation but also encourages collaboration.

**\*\*Please insert table 4\*\***

### 5.3 *Practices for enabling peripheral vision vs enabling focal vision*

The focal vision of an organization establishes a comprehensive 'photograph' of the organization at some point in the future. This includes immediate customer needs as well as the wider characteristics of competition within the macro environment (Cunha and Chia, 2007). Peripheral vision on the other hand is needed to monitor the organization's potential blind spots, i.e., the blurry zone at the edge of an organization’s vision. In a fast-moving business environment, the ability to bring the periphery into focus can offer a competitive advantage and organizations can be challenged by their inability to respond to signals at the periphery (Day and Schoemaker, 2008; Rohrbeck and Gemünden, 2011; Rohrbeck and Schwarz, 2013). Similar to human peripheral

vision, these signals are difficult to see and interpret but can be vital to success or survival. For PBOs, the signals can often be complicated by the shifting and rapidly evolving structures within which project teams operate, and the reconfiguring of teams in response to customer demands (as acknowledged by interviewee 25 below).

*“And if you’re focused on just this quarter, then your sales, revenue and your performance framework is very geared to actions and behaviours amongst your staff that are all focused literally on the next 6 weeks or 12 weeks, and anything outside of that is just not recognised, then you’re going to have a different framework than the organisation [PBOs] I’ve just described, where they were thinking much more around the overall customer life and value of customer life and how they can change their structures and adapt and think differently...” (interviewee 25).*

Employees that possess improvisational traits such as reacting to both micro and macro environmental changes and adapting accordingly are important for honing peripheral vision. Their ability to interpret signals at the periphery enhances the agility capabilities of organizations and enables the organization to anticipate changes and capitalise on them (Cunha and Chia, 2007). These employees, however, must also ensure that the focal vision of the organization is achieved via their project activities which presents a paradoxical tension for individual members and for teams between achieving focal vision and responding to signals from peripheral vision. The tension was also found in the agility-oriented posture of HRM in these organizations, which as table 5 shows, means focusing on balancing peripheral and focal vision. First, HRM was found to nurture peripheral vision by empowering employees to navigate organizational peripheries and also to become better at paying attention to the right signals in periphery without getting too distracted from their project tasks. By partnering in the development of organisational strategic

direction, HRM was also found to provide a perspective of both focal and emerging trends in the business environment.

**\*\*Please insert table 5\*\***

However, based on what emerges from our data, it is not clear if an optimal balance is obtained in the nurturing of focal and peripheral vision or if it is even possible to balance this strategic agility paradox optimally. Indeed, too much focus on the periphery will only introduce too much noise and distract actors from the focal vision of the organization. Also, the elusive nature of peripheral vision means that new 'periphery' is created at every point an organization attempts to focus on an observed opportunity from a peripheral vision. On the other hand, too much focus on the focal vision can result in lost opportunities for an organization.

## **6 Theoretical and managerial implications**

We viewed our research question via the lens of HRM paradox and improvisation theories and identified HRM operational models and practices developed as responses to paradoxical tensions associated with striving for strategic agility in PBOs. These include: (1) *Practices for enabling freedom vs. controlling*, (2) *Practices for combining work desegregation vs segregation*, and (3) *Practices for enabling peripheral vision vs enabling focal vision*,

We discuss our contributions to HRM paradox and improvisational theories, and further discuss the managerial implications of our research in the following subsections

### *6.1 Contribution to HRM paradox and improvisation theories*

We identify a dynamic relationship between **controlling and freedom** in PBOs pursuing strategic agility. By freedom, we mean structures that allow for devolution of decision-making latitude,

**Commented [AK1]:** I think it should either be between 'controlling and allowing freedom', or 'between control and freedom'.

liberation of processes and autonomy to rapidly improvise, experiment and innovate under time pressure (Brown and Eisenhardt, 1997; Miner et al., 2001; Pavlou and El Sawy, 2010). We found that the intersection between two elements of agility, i.e., (1) controlling and (2) freedom is very dynamic and the tension between these two elements is constantly moving under time pressure. This represent the key features of strategic agility in PBOs. This finding provides a point of deviation from the type of agility reported in organizations pursuing innovation or customer centricity (Rogg et al., 2001; Shipton et al., 2005). Indeed, a key strength of agility in PBOs is the freedom given to agile teams and allowing them to rapidly respond to emerging trends and issues (Bianchi et al., 2020; Conforto et al., 2016; Hodgson and Briand, 2013). Therefore, controlling- i.e., structuring, processes, supervising and coordinating has been found to be inversely related to freedom. Consequently, controlling inversely affects capabilities such as improvising, spontaneous behaviours, adapting, fluidity, flexibility and experimenting in PBOs- as illustrated in figure 2.

\*\*\*Please insert figure 2\*\*\*

The implication for paradoxical HRM is the need to appreciate the nature of “rapid dynamic movements” of the paradoxical tensions, and to respond to them. Even though strategic agility is developed from freedom and latitude to act (Brown and Eisenhardt, 1997), there is still the need to retain a degree of control. This is because beyond a certain “degree of freedom” PBOs may be at risk of strategic drift. For instance, the freedom to experiment will allow employees to explore new ideas and nurture disruptive thinking. For agile teams, this freedom would allow them to rapidly deliver parts of a solution in collaboration with customer(s) and adapt to change requirements (Conforto et al., 2016) via improvisation in real-time. However, too much freedom can lead to irrelevant experimentation and deviation from project or even organizational

objectives. A right combination of controlling and freedom also complements organizational sensitivity to learning and future exploration, and nurtures both peripheral and focal vision.

From Figure 2, we argue that dynamic movements between controlling and freedom can occur at point A and/or B. At point A, paradoxical HRM involves dealing with the tensions of controlling and freedom at a micro-level, e.g., at individual project delivery level or even within the delivery of work packages by individuals and teams. In this context, X-Y will dynamically and rapidly move in the direction  $x_1-y_1$ . At point B, paradoxical HRM focuses more on wider organizational level, therefore, X-Y will dynamically and rapidly move in the direction  $x_2-y_2$ . The movement can also happen along the gradient X-Y. In this instance, the more control exercised by way of structuring, supervising or coordinating, the less project teams have freedom to improvise, experiment, be flexible or fluid, and vice versa. In all instances, the dynamic movements are influenced by time pressure, hence, fluidity, improvising, experimenting, etc., all happen in real-time and all happen under conditions of paradox and responses to paradox.

The challenge for paradoxical HRM in PBOs is dealing with the rapid and changing intersection between control and freedom to optimise strategic agility. This can vary across and within projects or at organizational level, and tends to happen under time pressure. For instance, a project employee involve in various projects can find a more controlling structure within one project, but a liberating structure within the other in advance of or in response to ongoing environmental trends (Gomes et al., 2015; Osei et al., 2019). The role of HRM is to sense the paradoxical tensions within the projects and manage the movements within the tensions. HRM also needs to nurture project teams to navigate the dynamics of these movements in order to achieve strategic agility in PBOs, while recognising the difficulties individuals may face when moving from one project to another

where the current equilibrium may be more or less oriented to control/freedom than another project. These differences could create difficulties for individuals, particularly where overall practices for performance management are not adapted to these differences and to their importance for strategic agility.

We argue that this theoretical contribution adds to the growing awareness that HRM is awash with tensions and ambiguity (Keegan, Aust and Brandl, 2019)(Aust et al., 2015; Cunha et al., 2020). Particularly, we show how HRM is implicated in paradoxical tensions and the dynamic movements across freedom and controlling under time pressure to achieve strategic agility in PBOs. Our contribution also shows that dealing with paradoxical tensions and the dynamic movements to respond to them is not necessarily statically optimised in all projects. In our study, PBOs were found to have free structures, coordination and processes to encourage strategic agility capabilities (e.g. improvisation) at varying degrees across and within different projects depending on emerging trends.

## *6.2 Managerial contribution*

Our research adds to the call for managers to accept the paradoxical tensions in their organizations (Keegan et al., 2018a)(Keegan, Brandl and Aust, 2019) and manage the underlying confrontation of contradictory elements and the persistent interrelationships between the elements. If ignored, these tensions can cause organizational decline (Ehnert, 2009). We also add to this call by providing an insight into three HRM paradoxical tensions within our sampled PBOs and further awareness of the need to sense the time pressurised dynamic movements between freedom and controlling in PBOs in order to attain and sustain strategic agility. Managers need to strive to develop this awareness within relevant actors and develop their own abilities to identify, nurture and optimise this for effective attainment of strategic agility. Paradoxical tensions and dynamic

movements between controlling and freedom under time pressure can also introduce workplace complexities and confusion. Project employees can be confused and stressed by the changing dynamics and paradoxical tensions (Putnam et al., 2016). HR managers need to be aware and able to manage issues arising from these complexities and the implications for job satisfaction, hiring, appraisal, and development.

## **7 Conclusion**

PBOs organize by projects to enable them navigate the complexities of contemporary business environments. A focus on strategic agility in PBOs emphasizes the importance of improvisation capabilities which allows PBOs to rapidly change direction in response to emerging trends. Strategic agility also introduces paradoxical strategic management tensions within PBOs. We drew on HRM paradox and improvisation theories to explore the distinctive HRM operational models and practices that support strategic agility and the paradoxical tensions arising from the improvisational tendencies of PBOs pursuing strategic agility. We discussed our results in the context of three paradoxical tensions showing how HRM is implicated in the practices for (1) enabling freedom vs. controlling; (2) combining work desegregation vs segregation; (3) enabling peripheral vision vs enabling focal vision. The use of HRM paradox and improvisation theories allowed us to discuss our theoretical contributions in the context of how HRM in PBOs deals with the intersection between controlling, freedom, and the time sensitive dynamic movements that happen in the face of tensions in PBO pursuing strategic agility.

Our managerial contribution calls for HR managers to accept the paradoxical tensions in their PBOs and manage the underlying confrontation of elements which can also induce stress on project employees. Finally, the limitations of the paper should also be observed. The distinctive HRM

models and practices observed are not uniformly applicable to all the organizations we studied. However, it is these models and practices that allowed us to provide a theoretical expansion of HRM paradox and improvisation theories from the perspective of the intersection between controlling, freedom, and the dynamic movement of tensions under time pressure. Indeed, the experience of having to deal with paradoxical tensions under time pressure has never been more visible as can be seen in the way project employees have had to adapt quickly due to the COVID-19 pandemic. We argue that our paper provides an important contribution and basis for further research on HRM paradoxical tensions in PBOs pursuing strategic agility.

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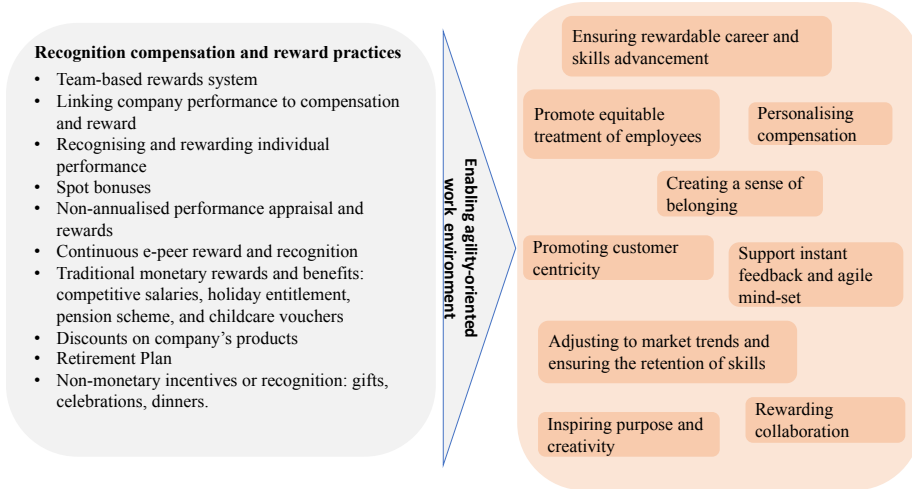
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**Figure 1: Theme extract of compensation and reward practices**

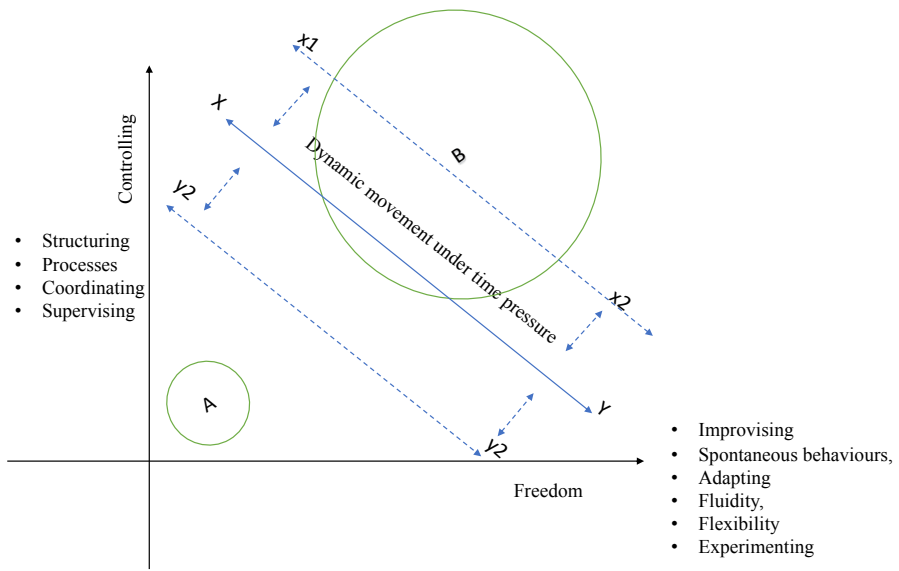


Figure 2: The paradox of HRM: relationship between controlling and freedom

*Table 2. List of sampled organizations*

<b>Sn.</b>	<b>Organizations</b>	<b>Nature of business</b>	<b>No. of intws.</b>	<b>Interviewee I.D</b>
1	HousingOrg1	Housing	2	1, 2
2	HousingOrg2	Housing	2	3, 4
3	TelecomOrg	Telecommunication	2	5, 6
4	RetailFinOrg	Retail and financial services	1	7
5	RealEstateOrg	Commercial real estate services company	1	8
6	WaterOrg1	Water services and infrastructure	1	9
7	BusinessServOrg	Business services	1	10
8	AutoOrg1	Engineering and manufacturing	1	11
9	AutoOrg2	Engineering and manufacturing	1	12
10	FoodOrg	Food manufacturing	1	13
11	HealthManufacturingOrg	Engineering and manufacturing	1	14
12	ResearchProductOrg	Manufacturing, research and product development	1	15
13	EngManOrg1	Engineering and manufacturing	2	16, 17
14	BankingOrg	Banking service	2	18, 19
15	ConsultOrg1	Consultancy	1	20
16	ConsultOrg2	Consultancy	1	21
18	ConsultOrg3	Consultancy	1	22
19	ConsultOrg4	Consultancy	1	23
20	HousingOrg3	Housing	3	24, 25, 26
21	PublicSecOrg 1	Public Sector	1	27
22	PublicSecOrg 1	Public Sector	2	28, 29
23	PublicSecOrg 1	Public Sector	3	30, 31, 32
	<b>Total number of interviews</b>		<b>32</b>	Interviewee ID

**Table 2: Improvisation and the paradox of experimentation vs structured approach**

<b>Paradox of strategic agility in PBOs</b>	<b>Observed agility oriented HRM practices</b>	<b>Example of Improvisational traits</b>	<b>The role of HRM</b>	<b>Indicative quotes</b>
<b>Experimentation vs structured approach</b>	Encouraging experimentation and maintaining established business processes	The ability to question, the ability to challenge, the confidence of the employee to question the manager,	Empowering employees ( <i>to question status quo but also follow process</i> )	There has to be a culture where everything that you do is not necessarily right first time, where they are able to trying something out, to experiment, experience a few failures, and then get to a solution for the customer. Having said that, that needs to be constrained and sculpted within the organisation... It needs to be focused on solving a customer issue or solving a business problem (interviewee 16).
		People see benefits in operating in a different way, so those behaviours become more conditioned and embedded their thinking.	Accommodating uniqueness of talents	So, by doing that, what I was trying to do was encourage the sale teams to try things out, to experiment, but experiment within the bounds of meeting the delivery and the quality standard to the customer (interviewee 19).
		Strong project team dynamics		Certain people take extremely prescriptive approach and they do very well at it, they love it. Conversely there are some people that are very good at coming up with all sorts of creative ideas, whacky ideas on how a problem can be solved, but those are the kind of people who come up with a whole series of possible solutions to a problem (interviewee 17).
		Self-motivated and self-confidence		...that's what I'm saying, the diversity means that some will be more innovative than others. You've got to have a balanced team, you can't have only innovative and creative people. Because you need to have also people who can execute and be customer focused and focused on deadlines and enjoying that (interviewee 26).
	Leadership that is open and wants to learn and improve		Balancing empowerment with accountability.	I think the accountability and empowerment kind of clash together, I think that's about trusting the staff, getting them to be self-motivated but also ensuring that there is accountability (Interviewee 19)
				It's pushing on to the individual a degree of responsibility to think through what's going to be the best way to deal with a particular issue, given the constraints that they're operating in, rather than being only very prescriptive (interviewee 16).

Nurturing success and protecting employees from failed experimentations	Learning by doing Ability to identify, apply, and sustain creativity.	Both encouraging success and supporting failure.	If they [management] think that making a mistake is a failure- and that will be managing people by fear, because they will blame or punish the people for making a mistake, that will be a barrier. If they feel that making a mistake is an opportunity to improve the quality and drive the improved way of working, then they will work in an agile way (Interviewees 26).
	Employees with a "bring it on" attitude		In other words, every great success is proceeded by a number of failures. it's talked about in a positive manner because what you don't want are the employees to say 'well we're not going to try that again because I got in trouble for trying that' (interviewee 7)
	Ability to experiment, carefully	Acknowledging both processual and 'out of the box' contributions	You have to balance managing those people who like their routine, people that not having routine puts them under a lot of stress, probably makes them unproductive. Whereas there's other people who they don't even consider it an issue, it's like you just get on and do it, what's the problem (interviewee 21).
	Calculated risk taking	Project-based performance appraisal	I think there's always going to be people who get on with this kind of thing [agility], and people who just never get it. You can train managers to manage people better... but ultimately there's going to be people who hate it and people who love it (interviewee 9).
	Self-reflecting capltities		"So, the KPIs for each team are based around the output or the deliverables that that team has to the wider project...[Their] performance appraisal is then done on a project by project bases... both line managers and project managers are involved,". (Interviewee11)

Table 3: HRM implicated in maintaining management structures vs delayering

<b>Paradox of strategic agility in PBOs</b>	<b>Observed agility oriented practices</b>	<b>Example of HRM Improvisational traits</b>	<b>The role of HRM: a paradoxical perspective</b>	<b>Indicative quotes</b>
<b>Maintaining structures vs delayering</b>	Delayering, but maintaining management structures	Dynamic adaptation to structures, yet able to operate liberally.	Developing management structures that liberate -via	“... we flattened the organisation so that we got closer to people, but people were then beginning to think well actually this is my idea and I’m going to now go and do this and we got to the stage where potentially we were getting out of control because people were being too creative and doing too many things. So, we then had to say stop, and put in some systems of agreement again and a management format to say good idea and move on” (interviewee 32).
		Customer centricity		
		More receptive to change		
		Changing job roles to fit prevailing structure		“I see HR as having a coach role, business partner type role, at the leadership level. So there’s a role around what competencies and behaviours do we want, what do we need and need to promote to create this agile organisation. And how do we do that by maybe creating a structure to support it. And that is very much that’s an HR role at the leadership level” (interviewee 25)
		Liberating decision making structure and entrenching accountability		“... people are going flatter, and decision making gets nearer the frontline, within given constraints obviously, there has to be levels of authority otherwise you get into what some of the banking sector manage to achieve, which is responsibility without authority or authority without responsibility” (interviewee 28).
		Delayering using temporary and contingent project employment		“It [flatter structure] could be achieved using outsourced or agency or temporary filled in or other companies that perform services within”. (Interviewee 16)

Table 4: HRM and the paradox of segregation vs desegregation

<b>Paradox of strategic agility in PBOs</b>	<b>Observed agility oriented HRM practices</b>	<b>Example of Improvisational traits</b>	<b>The role of HRM</b>	<b>Indicative quotes</b>
<b>Desegregation vs segregation</b>	Maintaining workplace desegregation and segregation	Being in the right environment	Provision of facilities to allow both desegregation and segregation	There are benefits to desegregation, there are benefits to open plan, but at the same time there are times when it's necessary to have separate offices for group meetings, separate offices perhaps for HR issues that are of a more personal nature.
		Leveraging the benefits of team interaction and solitary moments		There are some organisations that see it as beneficial to collocate people, to encourage that level of communication. What they then battle with is the human tendency to build the barriers around them. So, people will try and use partitions to create their own individual workspace.
			Nurturing interactive and solitary working	Eureka moment tends to be a solitary activity and I don't believe that happens sitting at a desk in an open plan. So, I want to create a working environment that allows people to choose where they want to work from, or within the office there's different settings that are more stimulating to creativity and innovation (interviewee 29).
		Workplace designed to accommodate work differentiation but also encourage collaboration		...and sometimes you're coming together for verification, sometimes you're coming together to develop the idea a bit more, but you've still got to go away and do your solitary activity (interviewee 25) We've got environments where chemists sit next to the marketing people but also the two disciplines have customised workspace befitting their roles (interviewee 23).

**Table 5: The role of HRM in balancing peripheral and focal vision**

<b>Paradox of strategic agility in PBOs</b>	<b>Observed agility oriented HRM practices</b>	<b>Example of Improvisational traits</b>	<b>The role of HRM</b>	<b>Indicative quotes</b>
<b>Peripheral vs focal vision</b>	Developing peripheral and focal vision	<p>Reacting to both micro and macro environmental changes and adapting accordingly</p> <p>Employees do what is necessary</p> <p>Self-managed teams</p> <p>Survival instinct</p>	Nurturing both peripheral and focal vision	<p>We empower them [employees] with an ability to scan the horizon, to look at what's happening if you like away from the core focus of the business. So, it's what's called peripheral vision. Instead of only having the laser like focus on what the business is about. Its also about understanding the organization's core competencies and what it's trying to achieve, it's also cognisant of what's going on in associated areas, so employees can read the signals for what's happening (interviewee 17).</p>
		Partners in the development of organisational strategic direction		<p>even though I'm HR manager, I am also part of the management team. So, I understand the business, I understand the needs of the business, I understand the daily production activity. I'm able to give advice based on HR expertise, but also knowledge of the business and its emerging trends (interviewee 32).</p>