

Implementation Of Project Management For Strategy Realisation

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ABSTRACT

Project management is being increasingly adopted for the implementation of strategic change. Globalisation, and extension of project management beyond traditional application areas has increased the demand for project managers and for globally consistent, generic standards addressing the project management competence of individuals and organisations. In this context, this paper reports on progress of a major international research project which is being conducted with the support of international project management professional associations, and industry. It presents some preliminary results which contribute to the debate on the feasibility of generic, globally consistent project management standards to assist organizations and individuals in the effective management of projects designed to realize strategic change.

Keywords: project management, competence; strategic change, globalization

1.INTRODUCTION

Strategies and projects are natural companions. While strategic initiatives can be conceived and handled as projects [1], projects should not be initiated or progressed without business or strategic justification. [2]. Project management is the management of change, and corporate strategies involve the introduction of change in organizations. Yet despite the apparent synergies between strategic and project management, serious application of project management approaches to strategy implementation is only now gaining momentum [3]. Project management has been developed primarily in sectors such as construction and information technology which contract and sell their services through projects [4]. It is increasingly being used beyond traditional areas to achieve strategic objectives. Large functional organizations are realizing that project management provides a systematic, phased approach which enables them to implement strategic initiatives that are outside the scope of their on-going business [1]. As Adams et al point out: Organisations have reached the point where the process of modifying the organization itself requires the concentrated management attention that can be provided only by competent, committed, well-organized and knowledgeable project teams [3]. Increasing pressure for corporate performance and the need for more effective ways to realize corporate strategies are important reasons for a growing interest in the competence of project managers and project teams. Management Association application areas increases the demand for project personnel and the need for project training for functional and general management personnel who are called upon to take responsibility for projects either as a full time role or in addition to their routine work [1]. There is another important strategic driver behind the emerging interest in project management competence and related certification and registration programs that can provide some assurance of levels of competence. Globalization is an issue both for multi-national Corporations (MNC's) and for locally based corporations required to service consumer needs which are becoming more internationally homogenized through communication technologies and travel. Individual and corporate customers are demanding consistency in products and services regardless of location [5]. Organizations are benchmarking their operations against 'world class' standards and assembling teams of knowledge workers from around the world. Globalisation has led to a need for shared understanding of basic project management terminology and techniques not only throughout organizations but across national boundaries. Project management professional

Organizations have recognized this need for generic, globally consistent project management standards, but the real demand comes from corporations and project personnel. The feasibility of project management standards which are

applicable and useful across organizations, industries and national boundaries has been the subject of considerable debate. This debate has primarily been conducted through the Global Project Management Forums held in association with major international project management conferences since 1994. The issue of the global vs the local is not, however, restricted to project management, but is actively pursued in the corporate globalization literature [5] [6],[7] and [8]. In practice, while the debate about feasibility of globally consistent and generic project management standards continues, there are a some existing standards which have achieved a degree of international acceptance. ISO Quality standards have achieved international acceptance. In project management, PMI's Guide to the Project Management Body of Knowledge [9], and PMP Certification process; the Australian National Competency Standards for Project Management [10] and the Reg PM process and the Association for Project Management's APMP have attracted considerable interest and in some cases a significant following. All standards address aspects of the project management competence of individuals and organizations. An important question is whether any or all of these standards are relevant and valid across industries and national boundaries. This is one of the questions which are being addressed by a major international research project, titled Development Assessment of Project Management Competence which is being conducted with the support of International Project Management Association, Association of Project Management and Project Management Institute and other international organizations, with funding from the Australian Research Council and founding partners, Australian Institute of Project Management, the Department of Public Works and Services, NSW Department of Housing and Caliper International. Data for the project are being collected from organizations and project personnel in Australia, USA, United Kingdom, Europe, South Africa and New Zealand with possibility for extension to Asia, Latin America and Canada. Data collection commenced in October 1997 and is due to be substantially complete by June 1998. This is therefore a working paper only, utilizing some preliminary results based on data collected to mid December 1997. The intention is to report to stakeholders on the nature and direction of the research. Data collected up to December 1997 from two countries (Australia and USA) and two industry sectors (Construction and Information Systems & Movement), have been analyzed to provide some insights into the feasibility of generic, globally consistent project management standards for project management competence.

2.METHOD

In May 1996 the University of Technology, Sydney (UTS) in partnership with the Australian Institute of Project Management (AIPM) and other industry partners, launched a grant application with the Australian Research Council, Australia's foremost research funding body, under the Council's Collaborative Grant Scheme. The application was successful and the project commenced in February 1997. The purpose of the project is to develop profiles of underlying knowledge, attitudes and behaviors which lead to high performance in a range of project management roles and to provide a framework for both attribute and performance based competency assessment and development, job design and selection of project personnel for improved project performance. The initial research funding covered the conduct of the research project in Australia. The researchers and industry partners recognized the contribution the project could make in establishing a sound research base for development of globally consistent project management standards. This would require the project to be conducted internationally. To facilitate this, project management professional organizations and corporations, worldwide, were invited to participate in the project.

3.PROJECT MANAGEMENT COMPETENCE

Interest in project management competence stems from the very reasonable and widely held assumption that if people who manage and work on projects are competent, they will perform effectively and that this will lead to successful projects and successful organizations [11], [12],and [13]. One of the first challenges of this project is the development of a shared global understanding of what constitutes competence. Competence is a term which is widely used but which has come to mean different things to different people. It is generally accepted, however, as encompassing knowledge, skills, attitudes and behaviors that are causally related to superior job performance [14]. This understanding of competence has been described as attribute based inference of competence [15]. To this can be

added what is referred to as the performance based approach to competence which assumes that competence can be inferred from demonstrated performance at pre-defined acceptable standards. The performance based approach is the basis for what has become known as the Competency Standards Movement that underpins the National Vocational Qualifications in the United Kingdom, and the Australian Competency Standards Framework now the Australian Qualifications Framework. Australia's Competency Standards for Project Management, were developed over a three year period, from 1993 to 1996, in association with industry, under the sponsorship of the Australian Institute of Project Management and with funding from both Government and industry. The standards were endorsed, as cross industry standards, by the Australian Government in 1996 and a the first government endorsed performance based competency

4.METHODOLOGY

The concern of this research project is the relationship between project management competence and project management effectiveness as a basis for developing competency profiles of effective project personnel in a range of project environments. To investigate this relationship it is necessary to establish measures of both project management competence and project management effectiveness. For the purposes of the research project, instruments have been developed to provide measures of project management competence which encompass both attribute and performance based approaches. This has been further broken down into a framework of input, process and output competencies where competence is considered as combination of *Knowledge* (qualifications) + *Skills* (ability to do a task)

Input

Competencies:

The knowledge and understanding, skills and abilities that a person brings to a job+ +

Core Personality

Characteristics (Motives + Traits + Self-Concept)

Process

Competencies:

The core personality characteristics underlying a person's capability to-do a job +

Demonstrable performance

In accordance with occupational / professional /organizational Competency Standards.

Output - Competencies:

The ability to perform the activities within an occupational area to the levels of performance expected in employment Dimensions of competence. This understanding of the dimensions of competence has been translated into the following integrated model of project management competence an integrated model of project management competence. The preliminary results in this paper are based on only three of the data collection instruments used in the project, namely:

Project Management Knowledge:

A test, using the PMI's A Guide to the Project Management Body of Knowledge [9] as the knowledge standard. The test is based on the PMI's Project Management Professional (PMP) exam and is intended to identify the extent of a person's knowledge of formal project management processes and terminology.

Performance based competence:

Self assessment against Australian National Competency Standards for Project Management [10].

Project Environment:

A questionnaire which establishes the nature of the project environment in which the person normally operates, including such factors as:

- Job title, Project size and duration, Number of projects, Project complexity

5. PROJECT MANAGEMENT KNOWLEDGE

As stated above, the data collection instrument used is a multiple choice test, using the PMI's .A Guide to the Project Management Body of Knowledge [9], as the knowledge standard. The test is based on the PMI's Project Management Professional (PMP) exam and is intended to identify the extent of a person's knowledge of formal project management processes and terminology, against that standard. The results for the full sample, the, This instruments was specifically designed to test knowledge of what might be considered project management jargon and key project management techniques, as identified in the Guide to the Project Management Body of Knowledge [9]. There has been considerable conjecture that the Guide, having been developed primarily in North America, would not be suitable for use in other parts of the world. It should be also be noted that although several of the project personnel represented in the USA sample had completed the full PMP exam, none of those in the Australian sample had done so. It is interesting therefore, that the mean scores for both Australia and USA are so close, and understandable that the USA scores should be, on the whole, slightly higher. The higher Australian score in the Human Resources Management area can possibly be explained by the very high level of reliance, in this knowledge area, on theory and practice from general management. The similarity of results from the Australian and USA samples, at this point in the data collection, appears to provide support for a globally consistent standard for project management knowledge. A cross industry comparison of results between Information Systems and Movement and Construction. Provides a similar pattern to that between countries. Regardless of assumptions of the differences between Construction Industry and the Information Systems and Movement sectors, the results for both sectors are remarkably similar, again suggesting support for generic or cross industry standards. Higher scores in the Information Systems and Movement sector may be attributable to the USA component in this part of the sample. The Construction industry sample includes only Australian project personnel.

6. PROJECT MANAGEMENT - PERFORMANCE BASED COMPETENCY.

The data collection instrument used here is a self assessment against the Australian National Competency Standards for Project Management [10]. Project personnel were asked to rate themselves, against each of 93 project management performance criteria, according to the following scale:

1. I have never done or participated in doing this
2. I have done or do this under supervision
3. I have occasionally done or do this myself
4. I have often done or do this myself

5. I have done or managed this across multiple projects or sub projects It is a requirement of assessment against the Australian National Competency Standards for Project Management [10]. That applicant must be able to provide evidence to support all claims of competence. The rating scale was devised on the basis that if a person has done something, they will be able to provide evidence. Current resolution methods are not. It they will not be able to provide evidence. The intention was to ask the question in a manner which would require the least amount of potentially variable judgment on the part of each individual. There are three levels in the Australian National Competency Standards for Project Management [10] The results from this instrument are presented to indicate the level at which an individual could reasonably apply for assessment against Competency Standards.

- Time performance is relatively stronger than Time knowledge
- Cost performance is relatively weaker than Cost knowledge

- Human Resource Management performance is relatively weaker than Human Resource Management knowledge
- Australian Human Resource Management performance is lower than that for the USA, although the reverse is true for knowledge. Looking at cross industry profiles, differences between results for the Information Systems and Movement sector and for construction are more marked for performance than for knowledge. The stronger performance of the Construction sector in both Cost and Procurement may in part be explained by results from the

Project Environment Questionnaire which indicate that 91.7% of the Construction industry sample have clients external to their organization, while only 45.7% of the Information Systems and Movement sector have external clients. The Information Systems and Movement sector may place more emphasis on communications than is the case in Construction projects because, of those in the Construction sector sample, 79.2% reported that goals were clearly defined at the start of projects, and 78.3 % reported that methods were well defined, compared with 55.3% for well defined goals and 60.9% for well defined methods in the Information Systems and Movement sector. Another instrument in the data collection process asks project personnel to rate the importance of the units in the Australian National Competency Standards for Project Management [10]. In terms of their importance in successful performance of their project role. The relative importance of the units is graphed against the Performance Based Competency for the full Australian and United States sample at December 1997. The relatively high rating of Risk versus the relatively weak performance in Risk attracts immediate interest.

CONCLUSIONS

The research results published here are preliminary only and should be treated with extreme caution. However, at this point in the study, and subject to further more detailed analysis, there appears to be some support for the feasibility of generic (cross industry), global project management standards primarily due to the apparent similarity of results from a comparison between two industry sectors. Analysis of data from a wider range of industry sectors and countries is required to explore this further. It should be noted that the standards used are at a fairly high level and leave ample scope for customization at local levels, to accommodate national regulations, practices and cultural differences where required. Aspects of the research study upon which it is too early to report here are the validity of the two standards (Guide to the Project Management Body of Knowledge [9] and relative to effective project management performance i.e does meeting these standards ensure that project personnel will be effective in their project roles; • the impact of project management training, education and work experience on effective performance in project management roles; and • the impact of core personality characteristics on effective performance in project management roles. The research study can be expected to provide considerable insight into the ways project management is practiced and the organizational environments in which it occurs. Projects are vehicles for change and, as with any vehicle, they require a driver - the project manager [1]. In the same way we expect drivers to be licensed to ensure that they are competent to drive, corporations are looking for evidence that the drivers or project manager of strategic change projects are competent for the role. If we take this analogy further, however, we realize that even the most competent drivers will have difficulties in hostile environments, so will project managers. To enhance project performance we must attend not only to the competence of project personnel but to the support provided by the environment in which they operate.

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