CHAPTER 1

THE PROBLEM AND ITS CONTEXT

If a man will begin with certainties, he shall end in doubts; but if he will be content to begin with doubts he shall end in certainties.
Sir Francis Bacon (1561-1626)

1.1   INTRODUCTION

Organisations continuously search for more effective approaches in order to survive, to maintain their operations and to grow in an ever-changing and competitive environment. To achieve sustainable business results, organisations must actively manage cost, quality and product or service features by means of their efficient and effective application of managerial and operational systems (Galbraith & Lawler, 1998:2). The practice of project management, which focuses mainly on the principles of cost, time and performance quality can provide this capability (Pinto, 2002). Since the beginning of the 1990's there has been an increased focus in project management literature and on the role of projects in bringing about beneficial change to an organisation (Cooke-Davies, 2002; Dinsmore, 1999).

Cooke-Davies (2002) emphasises that different kinds of project undertaken by various organisations show that there are both direct and indirect links between project success and corporate success. Hence, the growing interest in project management as a managerial approach. This interest is evident not only in traditional technically based (hard-side) organisations, but also in non-technical (soft, process-side) organisations (Gray & Larson, 2000; Pinto, 2002). The principles and practices or methodology of project management are thus adopted by organisations that hope to reap its multiple benefits, particularly 'the opportunity to be both externally effective (fast to market) and internally efficient (doing more, faster, with less)' (Pinto, 2002). This may be the reason why Pinto, (1998) describes project management as a 'philosophy and technique-based process that can maximise potential within

the constraints of limited resources, offering a logical and attractive method for increasing profitability in a business'. Gray and Larson (2000:473) state that the twenty-first century should be the 'Golden Age' for project management, while Knutson (2001) maintains that we are 'now entering the Age of Project Management'.

There is some realisation in most organisations that employees, in addition to working on a business process, also need to lead or participate in one or more projects (Martin & Tate, 1998:58). Organisations that have not traditionally been involved in projects are increasingly turning to project management without fully understanding its underlying philosophy, principles and practices. This 'project management rush' by organisations of all kinds results in a situation where many organisations are faced with the dilemma of not doing as well as they had anticipated. Projects fail daily and cost organisations money, directly and indirectly (Pinto & Kharbanda, 1996), and often they do not know what the causes for their losses and failures are.

One of the causes of project failure is that the organisational culture in which these projects have to deliver results is not supportive of project work (Cleland, 1988; Gray & Larson, 2000; Wang, 2001). The overall organisational environment, as an operational culture, should in fact be supportive of project principles and practices, otherwise projects cannot succeed optimally (Graham & Englund, 1997).

In this context it is evident that project work is often attempted in organisations without any clear understanding or application of project management philosophy, principles and practices. Thus, a supportive organisational culture is not created to ensure optimal project performance and thus business performance.

1.2   THE RESEARCH PROBLEM AND ITS SIGNIFICANCE

Du Plessis (2001) argues that a project management culture is vital for project success and that projects are in their turn key building blocks in the design and implementation of business strategies. Gray and Larson (2000:15) acknowledge that 'project managers must shape a project culture that stimulates teamwork and high levels of personal motivation as well as a capacity to quickly identify and resolve problems that threaten project work'.

Organisations that engage in project work may not be as successful as they anticipated when they opted to engage in project management and to apply a project management methodology, because their organisational culture does not support project work.

The literature and research conducted in this field is limited and focus mainly on sub-sections of project management culture, such as a project manager's professional culture (Wang, 2001), project team culture (Gray & Larson, 2000), or a supportive project environment (Graham & Englund, 1997).

Since project management is by nature systemic and consists of interdependent parts (Kerzner, 1997), an assessment of a project management culture in organisations should view such a culture as a holistic phenomenon, inclusive of strategies, structures, systems, processes, people's behaviour and the environment. Therefore the *specific research problem* that necessitates this study is *the lack of a holistic assessment tool to measure project management culture as an operational culture in organisations.*

The availability of such an assessment tool would enable organisations to assess or diagnose their present organisational culture's readiness for project

work. If such a tool does not focus on a particular industry or nationality, but on the organisation as a holistic operational entity which has to perform in an open system, such a tool could be used generically.

The results of this study will expand the body of knowledge on project management and serve as a valuable contribution to the research base of the interdisciplinary fields of project management and organisational behaviour. An assessment tool of the current project management culture (an operational culture supportive of successful projects) as well as an informative (diagnostic) tool and a development tool to identify the areas for improvement to create a project management culture for project success is created. The results of the study should enable organisations to identify gaps in their organisational culture and facilitate actions to improve the situation, thereby optimising project work for continuous business improvement.

1.3   DEMARCATION AND SCOPE OF THE RESEARCH

This research focuses on *developing a holistic assessment tool to measure project management culture* that can be used in any organisation to measure how supportive its organisational culture is of project work. It is thus a generic diagnostic assessment tool of organisational culture pertaining to project work gauging the internal and external perspective of the organisation as an open system.

This assessment tool does not focus on a specific culture (as per project) or any sub-system of the project or organisation _per se._ Figure 1.1 sets out the scope of the research.
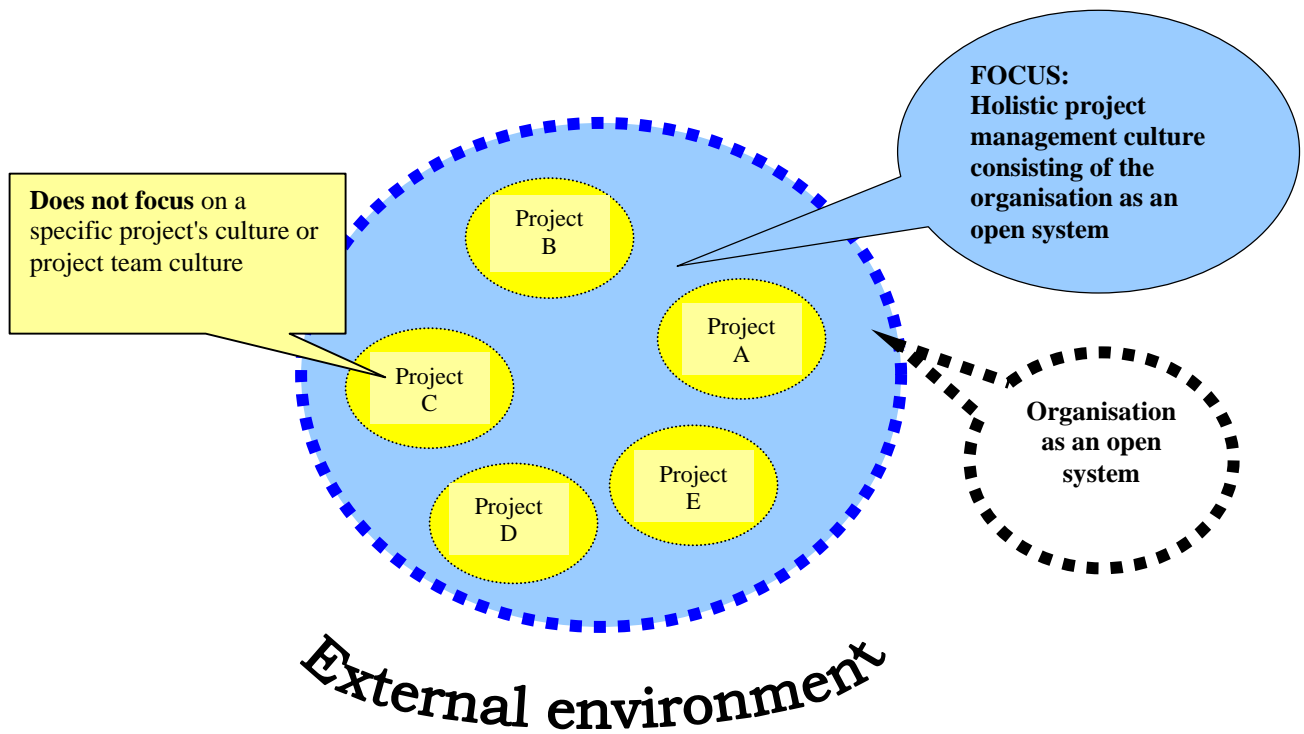
Figure 1.1: The scope of the research

1.4 THE OBJECTIVES OF THE RESEARCH

Since the main focus of this research is the development of a diagnostic assessment tool to measure project management culture in organisations, the *primary objective* is t*o develop a reliable holistic diagnostic assessment tool to measure project management culture, as an operational culture, in organisations. (The term 'reliable' in this instance refers to the ability of the assessment tool to differentiate between organisations.)*

To facilitate the research process, the following research questions had to be answered (they can be regarded as sub-objectives that support the primary objective):

- *Is a project management culture, as an operational organisational culture, able to contribute towards business success in organisations that use project work?*

- *Do businesses regard the measurement of organisational culture and project management culture as necessary or value-adding to business?*

- *What should a supportive organisational culture for optimal project success consist of ? (What are the components/elements of a project management culture?)*

- *How should organisations (those currently engaged in and those that want to apply project work) assess their project management culture?*

- *What process should be used to develop a holistic organisational culture assessment tool that can be used to assess the project management culture (as an operational culture) in organisations?*

In order to address these research objectives and provide answers to these questions, a thorough literature study in the multi-disciplinary fields of Project Management and Organisational Behaviour, was done to include the following (see Chapter 2):

- project management, projects and project success factors
- organisational culture and project management culture
- assessment of organisational culture and measurement tools
- development of an organisational culture assessment tool

The research methodology and method are discussed in Chapters 3 and 4.

- The rationale for the methodology used in the study is provided based on the literature and previous research, and is presented in Chapter 3.

- Chapter 4 elaborates on the research method and actual procedure of the research conducted.

Results and findings, with the statistical analysis, are discussed in Chapter 5. Chapter 6 provides the conclusion of the study, reflecting on the study, and making recommendations for further research.