

PROJECT MANAGEMENT PROCESSES AND THE ACHIEVEMENT OF ORGANIZATIONAL STRATEGIES – THE CASE OF TELECOMM. OPERATOR

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In recent times, there has been a shift in the usage of project management principles. It is a shift from individual competencies related to the implementation of individual projects to organisational competencies related to the implementation of a portfolio of projects executed in order to achieve corporate strategies. This shift has made many organisations to re-assess their capabilities in the project management knowledge area. Greater use is now being made of business maturity models, and based on their level, processes are being developed that link organisational strategy with project execution, as means of achieving corporate strategies. The recent development of the Organization Project Management Maturity Model (OPM3) introduced by the Project Management Institute (PMI) is a move towards the utilization of project management concepts and processes as tools to achieve organizational strategies. Projects are required to translate corporate strategies into workable solutions through effective implementation of the five generic phases of the project management process, namely, initiation, planning, execution, control, and closeout. These phases define the boundaries between the various activities and tasks throughout the project lifecycle and provide the framework by which projects are used to deliver corporate strategy. This paper reports the initial stages of an on-going postgraduate research study into the benefits of utilizing the project management processes model as a tool to drive organizational strategies through better projects' performance. The context for this action-research study is based on a large international telecommunication operator. The paper will make a case study with reference to this industrial context and evaluate available literature related to the concepts associated with enterprise project management processes so as to evaluate their potential as tools to effect the shift identified above.

Keywords: project management process models, enterprise project management, business maturity models

INTRODUCTION

In their endeavor to compete and achieve satisfied results for their stakeholders, organizations need to effectively translate their strategies into achievable goals. Such goals need to be managed and controlled effectively to make sure of their alignment with strategies. During the last decade, project management was utilized to deliver capital projects in the construction and engineering industries in isolation of other projects within the same organisation. By the beginning of 21st century new direction has been given for the use of project management methodology as a mean of achieving strategic goals (Kerzner 2001, Dinsmore, 1999, PMI-OPM3, 2004). The theory behind using project management methodology is that organizations became to

realize that any investment decisions, at strategic level, is in one way or another a project by itself, which needs to follow standard process in order to properly secure the return on such investment. No matter how sound is the investment decision, if the projects supporting it are poorly executed and/or without proper control, then the investment will result in a failure situation? However, no evidence in the literature reports that this theory is tested in the field to assess its effectiveness.

This postgraduate research study aims to investigate the role of project management processes in achieving organizational strategies in a practical context by taking a telecommunication operator as case study. The proposed research methodology is based on action-research.

This paper reports the initial stages of the research study. The first part of the paper starts by defining organizational project management and project management processes. The second part describes the organization where the research is taking place and the challenges facing it. The third part describes the research methodology intended to be used.

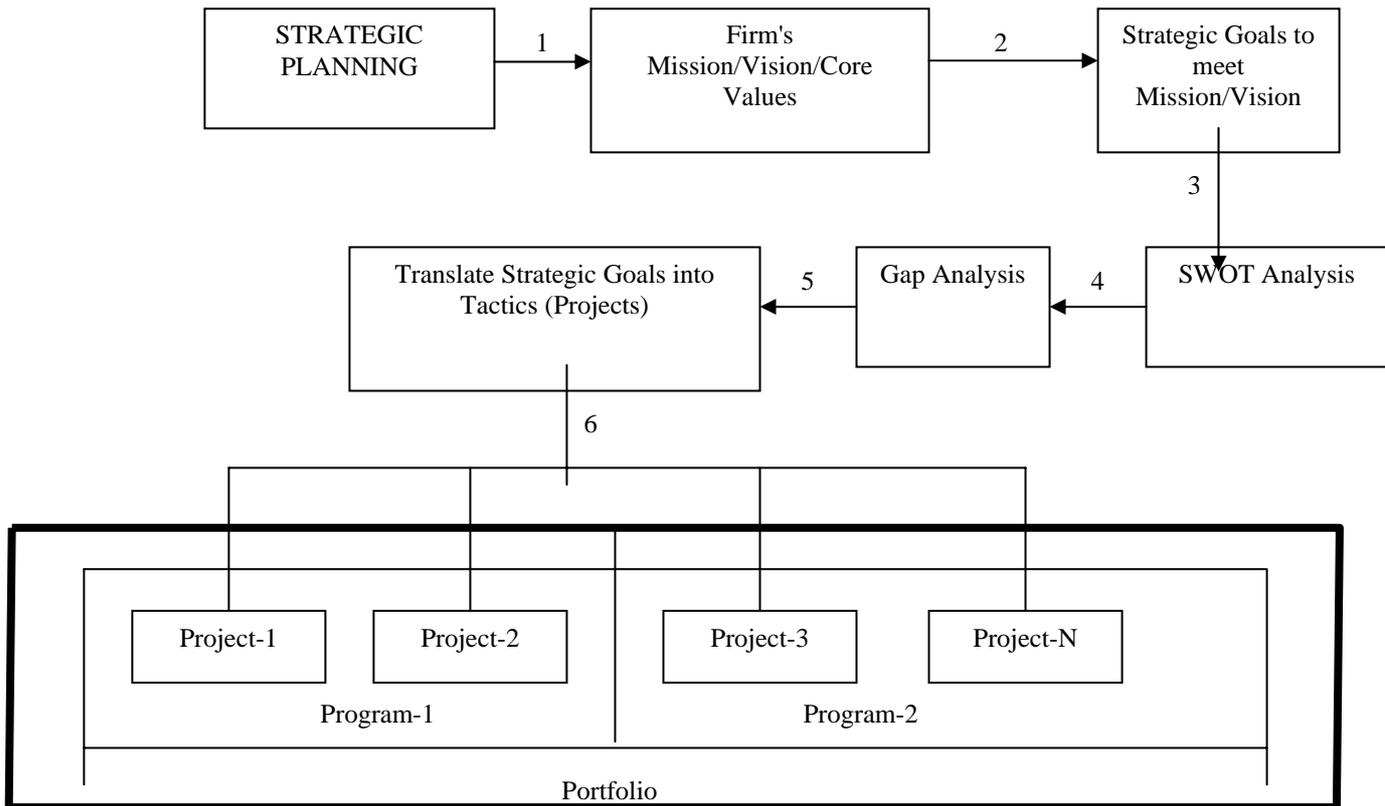
ORGANIZATIONAL PROJECT MANAGEMENT – A DEFINITION

The Project Management Institute Body of Knowledge (PMIBOK, 2000) defines traditional project management as "the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is a process oriented. (PMBOK, 2000) processes are: initiating, planning, executing, controlling, and closing". On the other hand, organizational project management is defined as "the application of knowledge, skills, tools, and techniques to organizational and project activities to achieve the aims of an organization through projects" (PMI-OPM3, 2003). So, organizational project management can be thought of as a management philosophy to achieve strategic goals and objectives. It is based on the principle that company goals and objectives are achievable through a web of simultaneous projects that vary from strategic, operational, development of new-product and services, to capital investment. Also, such projects require the collaboration of individuals from different functional divisions to be set in teams to achieve the common objectives through proper communication channels. And all of these are key-elements in organizational project management. The following table sets-out the differences between traditional project management and organizational project management, (Dinsmore, 1999:

Table 1: differences between Traditional PM and Organizational PM

Project Management Area	Traditional Project Management	Organizational Project Management
Overall context	Project-oriented, specific scope, start-to-finish	Organization-oriented, company view, ongoing
Management Processes	Project methodologies coordinated within corporate processes	Continuum of overlapping life cycles integrated with corporate processes
Integration	Ad hoc interface management with other areas	Overall interface management built into organization
Scope	Project interface management, work breakdown structure	Organization interface management
Time	Project schedule, dates, finite time span	Program schedules, multiple projects, continuing time frame
Cost	Project estimates, budgets, actuals	Corporate and program estimates, budgets, actuals
Quality	Specific project quality assurance and control	Overall quality compliance
Communications	Project-based communications	Company-wide, inter-project communications
Human resources	Resources for projects at hand	Project-experienced personnel for entire organization
Supply, Contracts	Project-based contracts and suppliers	Company policy for integrated suppliers
Risk	Specific project risk	Overall risk for company programs
Links to business Strategy	Vague and distant	Direct and explicit
Project definition	Usually portrayed as a "given"	Highly flexible, creative, and depending on options.

The organizational project management deals with programs, which consist of multiple projects, and the various programs constitute the company-wide portfolio of projects. The following flowchart explains the relationship between the processes of strategic planning and how they are linked with project management through the successful execution of various programs:



Strategic management is the procedure by which an organization: builds, controls and evaluates its future direction, (Shaw, 2000). It focuses on the organizational commitment to maximize current business opportunities while maintaining long term market growth. It is a dynamic process that needs to respond to changing market demands and its implementation centers around strategic planning processes.

The strategic planning process starts by identifying the vision, the mission and the core values, which describe why the organization exist and what are its objectives to achieve? Then strategic goals are identified to meet the mission, vision and core values. This will be examined with reference to the current situation of the organization by identifying the Strength, Weaknesses, which are internal forces, and Opportunities and Threats, which are external forces. The next step is the analysis of the gap between the existing situations and where the organization is heading to achieve its strategic goals. Finally, the strategic goals are translated into different projects that compose the various programs and portfolios. In basic terms, organizations are portfolios of projects. The project management processes provide the tool to achieve strategies by acting as "...formal blueprint, roadmap, template or thought processes for deriving a new product from the idea stage to market launch and beyond" (Cooper, 1994). According to the PMI- Organization Project Management Maturity Model (OPM3, 2003); organizational project management is based on the principle that there is a correlation between an organization's capabilities in project management, program management and portfolio management, and its effectiveness in implementing strategies.

Therefore, it is necessary to asses organization's capabilities, and the tools to do so are maturity models. Literature reviewed has revealed a number of models such as: (Kerzner, 2001; PMI-OPM3, 2003; Dinsmore, 1999) reveals the following reasons for

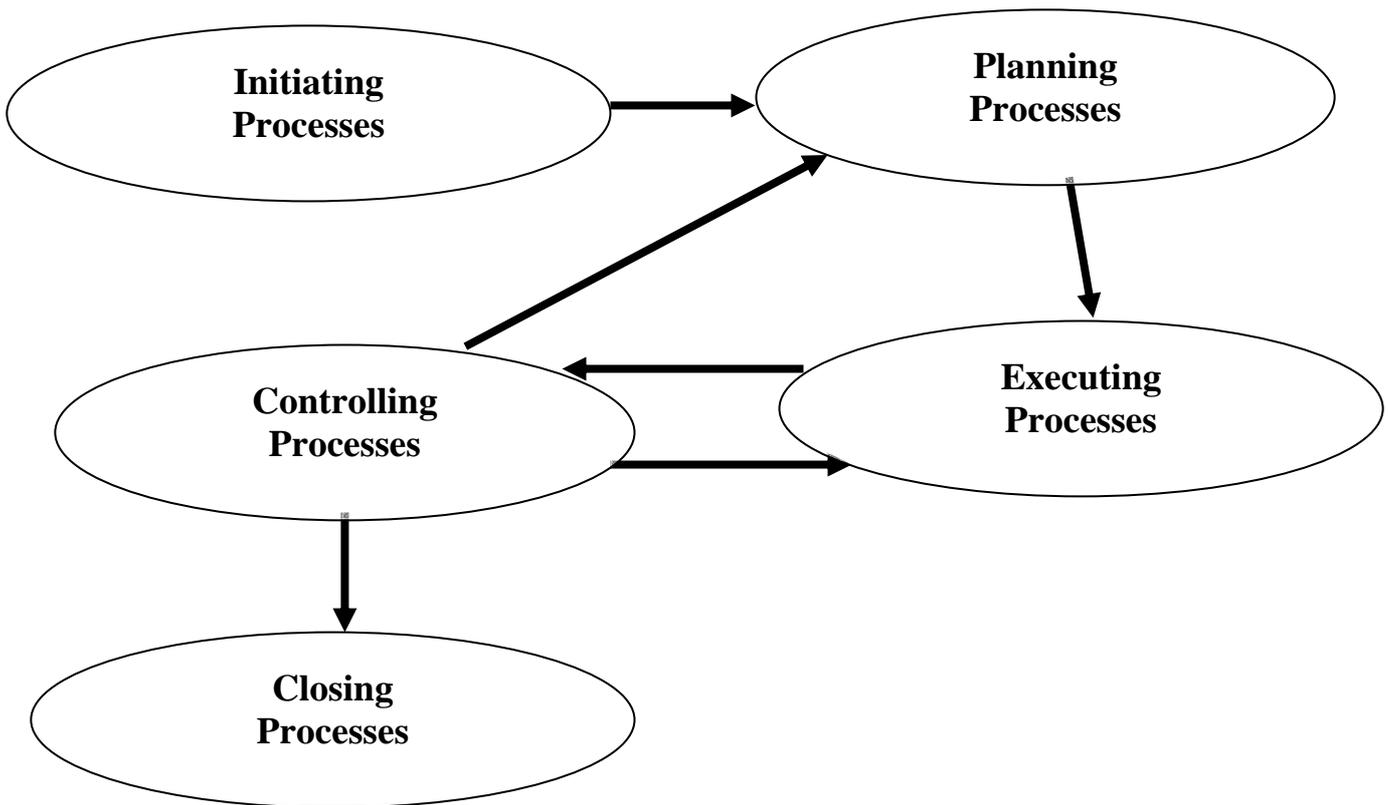
organizations to develop their project management capabilities: the focus of the company's resources is directed more towards projects than maintaining ongoing operations; organization's successes depends on their concentration on new projects; and the time to market pressure demands that projects be completed on time, within budget, and to meet the required quality standards.

PROJECT MANAGEMENT PROCESSES

A process is defined as: "the transformation of a set of inputs, which can include actions, methods and operations, into outputs that satisfy customer needs and expectations, in the form of products, information, services-generally- results" (Oakland, 1995). Project management processes are defined in terms of functions and activities, (Zulu et al, 2003). The British Standard (BS, 2000) presents the project management as acyclic model that consists of three activities: Plan, measure and control. The model starts with planning activities then measuring and controlling. The cyclic nature of the model is because of the less information available about the project during the planning stage.

The Project Management Institute (PMI, 2000) divides the project processes into five groups of processes: initiating processes, planning processes, executing processes, controlling processes and closing processes. The figure, next page, shows the links between the five processes. The arrows show the order in which the processes are performed. The (ISO10006) divides project management processes into ten sub-processes, as follows:

1. Strategic Processes
2. Interdependent processes
3. Scope related processes
4. Time related processes
5. Cost related processes
6. Resource related processes
7. Personnel related processes
8. Communication processes
9. Risk management processes
10. Purchasing related processes



The difference between the PMI and (ISO10006) approaches is that the earlier distinguishes between the project lifecycle processes and the knowledge areas, unlike the latter, which define processes in the context of knowledge areas. However, (Walker, 2002) places project management processes in two systems: the operating system, where the project is achieved, and the management system, where the decision making processes are taking place to support the operating system. It is clear that project management is a process oriented tool to execute projects.

The use of common processes within an organization provides the tool to measure performance in executing projects against preset targets and enhances continuous improvement. Processes streamline and control the workflows. Kerzner (2001) states that: "...organization realizes that common methodologies and processes are needed such that managerial successes on one project can be repeated on other projects". One of the levels any maturity models to measure organizations' capabilities in project management is common processes, which require the organization to maintain structured processes for executing projects.

THE CASE STUDY - OMAN TELECOMMUNICATION COMPANY (OMANTEL)

Oman Telecommunication Company (Omantel) is the only provider for public telecommunications services in Oman. The services range from basic services such wire line and wireless telephony and internet to value added services such as pre-paid for wire-line and wireless, Integrated Services Digital Network (ISDN), Voice Mail,

Short Messages Services (SMS), and high speed broadband services. The Omani telecommunication industry is set to undergo a change, by the liberalization of the market as a result of the country's entrance into the World Trade Organization (WTO) on 11th October 2000. As per the WTO commitment, major telecommunication services, such as wireless and landline services, will open up for competition by the year 2005. This major change will add pressure in the strategies of the company to be faster in deploying services and products at competitive prices, which in turn will require the use of efficient processes that: bridge the gap between project delivery and organizational strategies; and set the relationships between activities in a time and logic sequence. Project management is an important field of management that can ensure producing products and services of enterprise in time, balance resource and cost, (Li Qing et al, 2002). Also, the company will be privatize, which demands "lean and mean" organization structure; this can be achieved by operating in matrix structure, which is a major requirement under project management. Therefore, project management processes can provide good tool for the company to achieve its objectives.

THE PROPOSED RESEARCH METHODOLOGY

The chosen research methodology is action research. Action research is defined as: "a general mode of inquiry that seeks to contribute to the practical concerns of people in a problematic situation and to the goals of social science within a mutually acceptable ethical framework" (Rapoport, 1970). Also (Elliot, 1991) defines action research as: "the study of a social situation with a view to improving the quality of action within it".

There are six characteristics to action research, (Susman, 1983):

1. It is a future oriented,
2. It is collaborative,
3. It implies system development,
4. It generates theory grounded in action,
5. It is agnostic in that future prescriptions are the produce of previous action,
6. It is situational, based on actors defining their current situation.

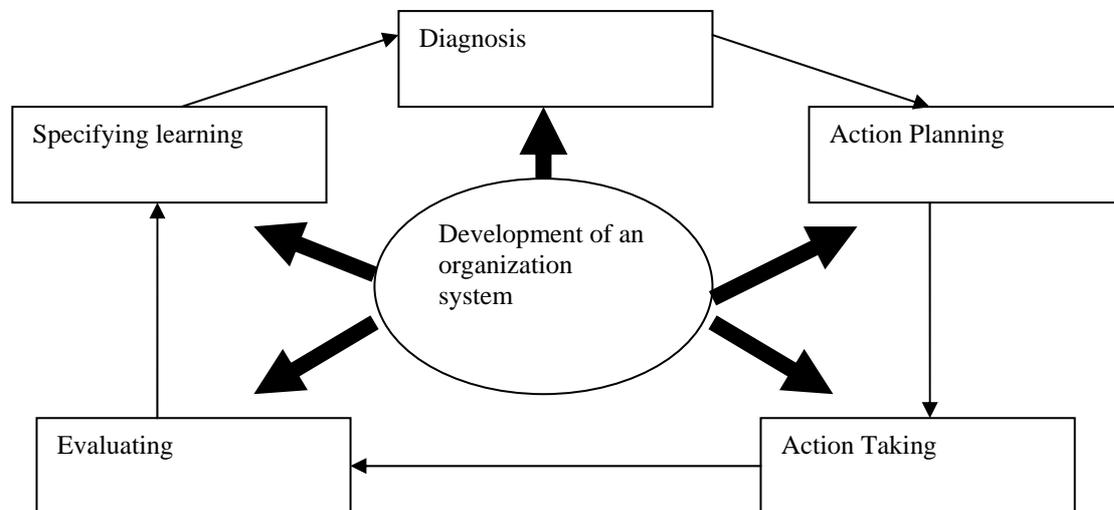
Moreover (Hart and Bond, 1995) define the following criteria for action research:

- It is educative
- It deals with individuals as members of social groups
- It is problem focused, context specific and future-oriented,
- Involves a change intervention,
- Aims at improvement and involvement,
- Involves a cyclic process in which research, action, and evaluation are interlinked,
- Founded in a research relationship in which those involved are participants in the change process,

Action research involves a planned intervention of the researcher into a naturally occurring event. The processes of action research are described as iterative in nature; it follows the following sequence:

- Starts by the identification of the problem by either the organization or the researcher, then
- Joint diagnosis of the problem is performed.
- Planning the actions required to solve the problem,
- Performing the actions identified in the step above, and monitoring the results
- Evaluating the results

The figure below shows the above steps and their relationships with each others, (Susman, 1983).



The reasons behind the selection of this research methodology are:

- The researcher is part of the case study organization and has full access to the information,
- The problem that the research tries to address is practical in nature,
- Implementation is required during the research period to test the new research model,
- External market (liberalization of the market) demands the case study organization to undergo internal changes, which provide good environment for the research.

(Rapoport, 1970) presents three dilemmas related to this research methodology, which the researcher needs to be aware of and tries to resolve them:

- The first dilemma concerning the ethics of the researcher in terms of respondent protection, and awareness of personal and political motives. The researcher shall not become a captive of the organization being studied,
- The second dilemma concerns the conflict of goals that may arise between the demands of the research and the demands of the organization,
- The third dilemma concerns the changing focus of initiative from the client to the action researcher as the research progresses.
- As a way to overcome these dilemmas, the researcher needs to view action research as an action learning loop, where the whole organization is part of this loop through the participation of its senior management.

The data collection methods are as follows:

Interviews: with major stakeholders in the project management process, to gain understanding of the current situation

Document analysis: to view the nature of project management processes and understands the problems facing the current processes

Questionnaires: sent to the team members participating in projects

The data gathered will be analyzed both quantitatively and qualitatively to develop a clear picture or map about the current processes. The result will form the input for the new project management process model.

CONCLUSIONS

Organizational project management is a management philosophy used to achieve corporate strategies. It is based on the assumption that corporate strategies are achievable through web of simultaneous projects. Such philosophy provides efficient use of the resources and enhances team work. Project management processes are the tool to manage and control the execution of projects. This research study is a continuous work and will use action research as methodology to investigate the benefits of project management processes in achieving organizational objectives in the context of telecommunication operator.

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