

10 Key Arguments Why Project Management Continues To Grow

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Introduction

There are literally millions of reasons why project management will continue to grow, despite the prophecy of doom of a few agile popes. Why? First of all, because more than one-third of economic value added today is realised in projects – and the trend is increasing. Next, because change is the only constant in life, and this change must be properly managed and appropriately led. And very importantly, results usually must be integrated into legacy processes, and the ever-increasing complexity of the projects must be well-managed. Because exceptional leadership is required; and CEOs require clear structures to ensure that the business remains compliant. Then, an ever-increasing proportion of work is organised on an international, interdisciplinary and intercultural basis to achieve the best results – which requires more and more transformers and prevailing realisers—and not just producers of hot air. Last but by far not least, because the generation Y is leaving the universities and getting into management positions. With them, the focus of work shifts from having a job to meaningfulness of living – something which projects very well support.

The core reason why project management continues to grow is actually quite simple and logical: As long as there are projects out there, people will be needed to care about projects and implement them – against all headwinds and all inconveniences. Example: have you ever sailed on a ship, or flown in a commercial aircraft without a responsible person, coordinating and leading the journey (usually called the captain)? That person, properly trained, and with the necessary competences, who guides the ship or the aircraft professionally, even in bad weather conditions, or through heavy traffic?

Whether we continue to call this core function – the captain of the project – project manager is a totally different story. But the profession of project management as such with all required competences will continue to exist and even grow, at least as long as there is a captain on board of a commercial aircraft.

But before we can start the discussion regarding the future needs of project management, we must achieve a common understanding on what exactly is a modern project manager and what kind of tasks he or she must execute.

A project manager from today's point of view

In the new ICB4 (IPMA, 2016), IPMA defines a project as “a unique, time-limited, multidisciplinary and organised undertaking to achieve defined work results within predefined requirements and boundary conditions. The project focuses on providing a predefined result with its own organisation”.

IPMA distinguishes projects from programmes, which are set up to implement strategic changes and realise benefits. To simplify, this article does not make a distinction between projects and programmes: the term “project manager” shall be used for the executive person of a project of all kinds. However, it is a fact that project management is developing towards programme management, because change and benefit realisation are rapidly becoming part the core of any project and because more often a “predefined result” is not available in an early stage of an endeavour – that is also one of the key drivers for agile software development.

Change versus stability

The various basic definitions of projects or programmes including IPMA (IPMA, 2016), PMI (Project Management Institute, 2013), Hermes (ISB, 2014) or agile program management (DSDM Consortium, 2014) contain seven core characteristics:

- Certain uniqueness
- Time limitation
- Multiple disciplines
- Own governance

- Delivering results (from simple and predefined to highly complex, strategic transformations)
- Implementation of change or even transformations
- Realisation of benefits

With these characteristics, projects obviously differentiate from line functions that focus on efficient day-to-day production of any kind of products or services.

While a project is unique and limited in time, the line organisation continues for a longer period and produces products or services repetitively. That is the main reason why a specific organisation with individual governance (project management, support, teams, control bodies, etc.) are created for each project. Furthermore, line organisations are predominantly monodisciplinary (finance, marketing, production, etc.), but projects are organised to manage multi-disciplinarity, and organised to integrate all involved parties.

Projects provide results that are relatively new and substantially more diverse than the results of the line functions, but they are mostly created in "individual production". While projects focus on change effectiveness and the realisation of benefits, the line organisation focuses on efficiency and cost minimisation. The project manager is thus working in the change area, in which he or she implements with people all kinds of projects as effectively as possible, taking into account the prevailing framework conditions.

Since every project, as well as every line business unit, must operate in an adequate and appropriate manner, a person needs to take the lead in these organisational activities. Traditionally, we call that person a project manager.

Manager versus Leader

In business management, a distinction is made between manager and leader.

- Leaders pull other people. They do so by visions, values, inspiration, and charisma. Leaders have followers.
- Managers push, they "manage", i.e. they regulate and realise work through specifications, like plans, controls, or power. Managers have subordinates.

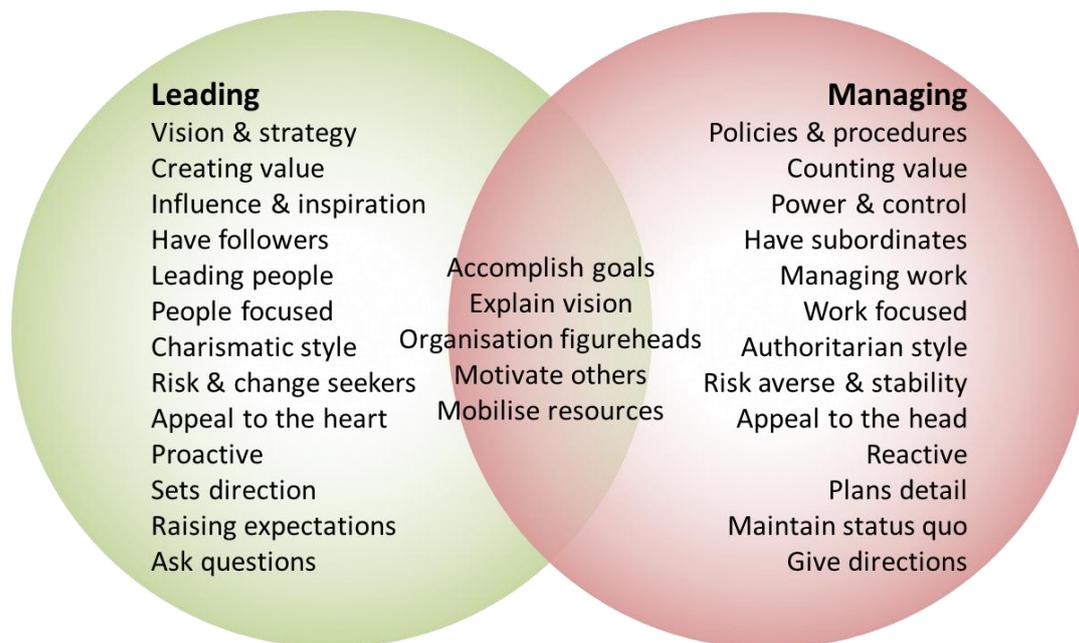


Figure 1: Management versus Leadership (Karoleff, 2014)

Neither of the two extreme positions alone will make anyone successful, nor will result in an optimal achievement. A healthy coexistence, with well-balanced ingredients of both leadership and management is required.

How many elements of either side are applied depends on the culture of an organisation and its leaders, as well as the maturity of the employees. But the more mature an organisation becomes, the more leadership is required, and the more basic management can be reduced.

For all these reasons, the international competence standard of the IPMA also divides the competences in practice, people and perspective, which all are relevant for each endeavour (IPMA, 2016).

Thus, the term “project manager” used in this article shall include both dimensions of leadership (vision, meaningfulness, resourcefulness, etc.) and management (instruments, methods, processes, tools, etc.), each being well-balanced. He or she steers the result delivery process, coordinating all people to achieve the expected results in the specific context of the undertaking.

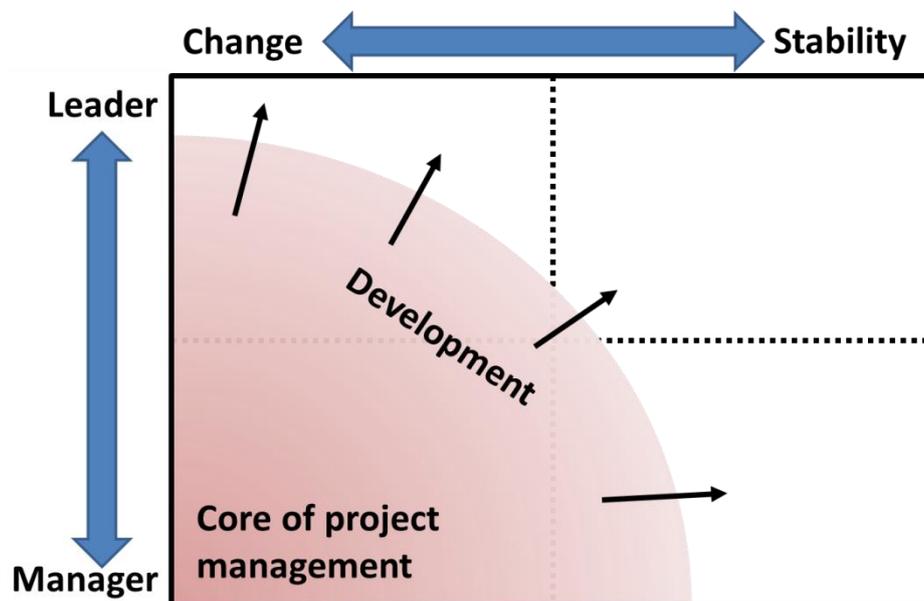


Figure 2: The profile of a modern project leader

A professional project manager of a modern “design” thus covers all shades from classical project management activities (plan, control, correct, etc.) to the program leader (vision, motivation, creativity, results orientation, etc.), depending on the personal maturity of the individuals. The project manager implements projects as planned, to enable change, for the benefit of the clients, their organisation(s) and society.

All these competences will be required more and more—even outside the field of those who are recognised as project managers. That’s why we find excellent project managers in various management positions too, not only in classical projects anymore.

After this clarification of the project leader’s role we can come back to the core question.

Why there will be project management in the future

Argument # 1: There are more and more projects

34.7% of the gross domestic product in Germany was generated by projects in 2013.

Assuming that the share of working time in projects corresponds to the share of gross added value, the value generated in projects for Germany comprises an amount of EUR 877 billion (Wald, et al., 2015). And: project activities and thus project management are even growing more. True, project management has reached a peak in various traditionally project-based industries such as the construction industry, IT or telecommunications. But in other industries, traditionally project-repellent industries such as public services, education, health and trade are experiencing a marked strong increase in project work (Wald, et al., 2015).

Project management becomes increasingly important for many companies, in areas of administration, education, trade, not-for-profit organisations, and others. In some cases, project management is now a question of survival: The correct, planned implementation of a project as well as the realisation of the expected benefit becomes the key for future existence.

Argument # 2: Change is the only constant in life

Heraclitus, pre-Socratic Greek philosopher, seems to have said 2500 years ago, that change is the only constant in life (Roussos, 1971). If such a statement is still quoted so often, there must be some truth in it.

However, change must be organised just like any other activities; otherwise it will lead to pure chaos. And for this, someone needs to organise the necessary work and someone (not necessarily the same person) needs to direct the change into an orderly transition towards the desired direction. Today, we usually call this person a project manager.

Of course, one can argue that self-organising teams could do this too (Laloux, 2015). This may well be true in well-established teams, but try to implement self-organising teams in the international and intercultural context, possibly only through technical aids, without personal contact! Immediately, you must find somebody who can bring structure into the team – self-organised or pre-defined does not really make a big difference for project management.

Argument # 3: Novelty must be managed

To remain competitive in times of globalisation and strong competition, organisations must continuously generate innovative products, processes or services. Projects, as a temporary form of organisation, promote the innovative capacity of companies by reacting flexibly to internal and external change. They also create novel knowledge through interdisciplinary cooperation.

Since the success of innovations has a significant positive effect on the success of the company overall, the project activities make a considerable contribution to the bottom line of an organisation (Wald, et al., 2015).

A new study (Schoper, Gemünden, & Nguyen, 2016) shows that we are constantly developing into projectised organisations. This is certainly not a totally new development, for as early as 1697 Defoe described this fundamental development as a project society (Defoe, 1697). But the trend is clear; this development is stronger than ever.

Argument # 4: Sustainable integration of the results is important

In parallel with the ever-shorter development cycles of innovations, higher costs have to be accepted due to the increasing complexity of the products and services.

This forces organisations to apply the results of the development much more broadly, to generate enough return on investment. This is done either by enlarging markets (e.g. new mobile phone models are introduced at the same time all over the globe), or by repetitive, multifunctional re-use (a car contains components of other vehicle types or vehicle series). The latter requires optimal integration of the results into legacy systems and processes. This integration is best done by integrative, multifunctional teams: project teams.

Argument # 5: Complexity must be managed

Management in a broad sense means bringing a system under control and keeping it under control (Malik, 2002). Complexity – not complicatedness – is created when people (and not just machines) are involved. Depending on context, mood, team composition, daily form, etc., humans work differently, and provide different achievements (Pfläging & Hermann, 2016). Therefore, complexity cannot, by definition, be controlled (managed), but only be guided, navigated in a sensible way, to the desired outcome as well as possible.

Complexity is a system-inherent aspect in all projects, because in projects people work intensively together to create something novel. For this reason, the emerging project process must be sensibly guided. Not by cleverly handled switches but by people who have been comprehensively trained and who possess the necessary competences: capable project managers.

Argument # 6: Leaders are required

Leaders lead other people through visions, values, inspiration, charisma, and other strengths. Leaders have followers. This is exactly what young people are seeking in their jobs. They want to be led in this way and they want to lead themselves; in 2014, a study showed that 60% of the first-time entrants in organisations want to lead (Schutz, 2015).

Young people want to be free to move, learn, inspire and shape something within a given value scheme (or vision). Young people want to be motivated by work; they prefer not to follow a hierarchical chain of command. This work environment can be best-offered in projects. To provide this spirit in traditional, hierarchically organised line business units is far more complicated (Hamel, 2016).

Projects create meaningful results. Even project management itself can be highly motivating - as long as the project outcome corresponds to the personal values of the project leader (and the team members). With meaningful projects, less old fashioned management is required, more leadership possible. The team members will be very involved, and the project work can really provide deep satisfaction.

Argument # 7: CEOs demand for clear structures

Top managers lead normatively. They want results and clear responsibilities with full transparency. To achieve this, the right resources, tools and processes are required. In traditional line organisations, structures include organisational charts and process descriptions, supported by many kinds of Information Technology (IT) systems.

The CEOs of this world expect the very same for projects too: a clear organisational approach that is adapted to the project, a responsible manager, together with the appropriate methods, tools and processes, to control and monitor the projects, and to improve the performance.

No question, our practice still has a lot of room for improvement: many projects are still not as successful as expected, and some programmes still do not provide enough benefits. But this just means that more-effective project management is required. Project managers, and those in other key roles, including project sponsors and resource managers, need improved project competences. Ignoring or eliminating effective project management will definitely not solve the insufficient performance of some project work.

Argument # 8: More and more interdisciplinary work is required

Projects are present wherever new ideas arise, whether major sporting events such as the European Championships in football in France, or the Olympic Games in Brazil; the construction of rail tunnels like the Gotthard base tunnel through the Alps; the energy change due to global warming or the digitisation of public administration. And projects are the commonly used organisational form for each of those examples' effective implementation. Project work has not only improved industries, it has also penetrated the creativity economy, politics, sports, schools, not-for-profit organisations, healthcare and honorary work.

Challenges of our future cannot be solved by using linear structures of existing line organisations. Future challenges can only be tackled by interdisciplinary teams, cross-company approaches, and international and/or intercultural co-operation. And that requires a specialised sort of organisation, with people loving this kind of work: Project leaders.

Argument # 9: Agile converters are required

To cope with the accelerating dynamics of today's life, short and shorter development cycles are necessary for success. Agility as a modern approach to cope with problem solving is warmly welcomed and obviously necessary. Simply, because it does not make any sense to ask for something no one knows, or is even able to imagine. Quite often, requirements in an early phase of a project cannot be exactly determined. Just imagine: who would have guessed in the specification phase of the first mobile phone in 1973 what we can do with these gadgets today, just 40 years later! But also agile software development processes are to be

designed, managed carefully and led powerfully. Not by a cheerleader, but by a capable converter, a project manager.

Argument # 10: The Millennials are here

Generation Y (1980 - 1999, also often referred to as Millennials or Ypsiloners) is a well-trained part of our society with a technology-oriented lifestyle (Sheahan, 2005). This is the first generation in history that has grown up in an environment of Internet and mobile communication (at least in the Western hemisphere). These individuals are now pouring into business and management positions.

Members of Generation Y prefer to work in virtual teams rather than in fixed hierarchies. Instead of status and prestige, their focus is on joy of work and the search for meaning of life. More freedom, the possibility of self-realisation and more time for family and leisure are central demands: the generation Y member no longer wants to subordinate everything to personal career, but demands a better life balance.

For this generation, fun does not begin in the evening after work; generation Y wants to be happy during the work – together with a meaningful challenge. Projects can create the required meaning; they can provide a better work-life balance, and more freedom. Quite often, the content of the projects can address both the technology affinity and the intercultural nature, thus satisfying the multi-choice demands of the Ypsiloners, too.

In addition, Generation Y experienced the terrorist attack in New York, wars and crises throughout the formative period of the youth, and most recently the financial and Euro crisis with a devastating youth unemployment. They got accustomed to dealing with uncertainties. They have learned to make the best out of every situation, to explore, and to keep open as many options as possible, and using virtual networks. Exactly such competences are required in projects, especially when dealing with complex change projects.

Projects offer optimal challenges to meet the needs of Generation Y; as well, projects need their newly acquired competences. Thus, in challenging projects the best Ypsiloners can be better retained in the organisation (Kaye & Jordan-Evan, 2007).

In the Near Future

Admittedly, it could be the case that at a given time in the future, projects are developed by machines and controlled by robots with artificial intelligence. But as long as this is not the case, projects require individuals to guide and motivate interdisciplinary teams to achieve exceptional performance, organise the work and realise the desired results for the benefit of the stakeholders. So far, we call them project leaders. And their field of operations project management.

Whether we call these functions still project manager, programme leader or alike can be read in a crystal ball only. But individuals with adequate competences, with a vast toolbox at hand that are capable of mastering the challenges of the future will always be needed – and even more than ever.

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