Megatrends: “Projectification” – The German Experience

Ed Naughton

Popular conventional wisdom assumes that there is an increasing use of projects across all industries and sectors.

Although the prevalence of projects in many organizations is evident, no exact figures on the degree of Projectification, i.e. the share of project work in companies, industries or entire economies, exist.

An empirical study that systematically looked at the level of project work in the German economy provides some dramatic findings.

The aim of the research was to develop a measure that could be used independently of the industry, project type and firm size and to apply this measure to assess the share of project work in the German economy.

Based on a survey of 500 companies (including the public sector), it was found that:

- The share of project work to total working hours in 2013 was 35%
  - Assuming that these hours corresponds to an identical proportion of gross value added, this would equate to a sum of €877 billion
- This share went up by nearly 20 % in the last few years
- It is expected to increase further to more than 40 % by 2019

The German economy is clearly experiencing an increasing projectification which raises serious questions about how organizations respond to this trend.

For example, the increasing use of projects makes organisations less rigid, more flexible and innovative, and capable of solving complex problems. New organisational forms are characterised as more flexible but at the same time highly efficient and less dependent on hierarchical control and bureaucratic coordination.

The project landscape is also changing with 84% of the projects of the companies surveyed being internal projects. Among those internal projects, IT and marketing/sales projects are most frequently used (each at 20 %), whereas R&D/new product development projects (13 %) are applied less often.
The greatest increase in project work in the last four years (in total more than 54%) was recorded in the public sector. Starting from a relatively low level of 11.6% in 2009, the proportion of project work in this sector increased to 17.8% in 2013.

One consequence of this trend is the requirement to produce more highly trained and competent project managers to meet the demand of this growth and to ensure that the projects are managed as effectively as possible.

Riga, March 2016, study author Professor Yvonne Schoper & Ed Naughton with the Sir Monty Finniston Award which the International Project Management Association (IPMA) received for its engagement in moving the profession forward.

IPMA certification is highly respected and regarded in Germany with some 35000 Certified IPMA – D professionals registered there. Both the current president of IPMA and chair of the powerful Certification & Validation Management Board are German.

The authors of the study believe that “the proportion of project work should also be measured in other countries in order to allow international comparisons”.

Such an undertaking would also be an interesting follow-on to Roland Gareis’ and Martina Hueman’s seminal bench-marking work on The Project Oriented Society.

Reference:
Towards a Measurement of “Projectification”: A Study on the Share Project Work in the German Economy, Andreas Wald, Thomas Spanuth, Christoph Schneider, Yvonne Schoper
About the Author

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Ed Naughton, BE, C. Eng., F.I.E.I, FIPMA, IPMA-a, PMP, is the founder and Director General of the Institute of Project Management of Ireland, the leading authority on the PM profession in Ireland. On the international front, Ed was responsible for initiating cooperation agreements with both the PMI (Project Management Institute) USA and the IPMA (International Project Management Association). He is Ireland’s representative on the IPMA council of delegates, and a former Vice President-Marketing for the IPMA. He was also the first PMP registered in Ireland. Ed has researched, published and presented many articles and papers on project management and is the author of the Irish Project Management Competence Baseline. During his thirty year career, Ed has worked as a project manager and/or project management consultant on a large variety of high profile domestic and international assignments.

Ed Naughton is a graduate of University College Dublin (BE, civil), a Fellow of the Institute of Engineers of Ireland, a Chartered Engineer (Ireland), a Professional Engineer in Canada, and holds an IPMA Level A certification. He is former founder and editor of the quarterly international publication “Project Management Practice”. One of Ireland’s most respected experts on the topic of modern project management, Ed is an executive advisor to PM World in Ireland. Ed Naughton was named a Fellow of IPMA in 2013.

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