

Notes on increasing project management involvement in senior management activities in production-based organizations

By Alan Stretton

INTRODUCTION

For nearly as long as I can remember, many (but by no means all) project management writers have been concerned about project managers remaining in subordinate positions in the production-based organizations in which they operate (see definition below). Their essential concern is that senior management has been unaware of the benefits that project managers (PMs) can provide.

Some writers have expressed these concerns in somewhat generalised contexts. Other writers have been concerned with more specific issues, such as senior management making vitally important project initiation decisions, but with little understanding of how their decisions could adversely affect project execution and ultimate business benefits. The most obvious way to overcome this latter situation is to get project managers more involved in activities related to the initiation of projects. The question then becomes one of ways and means of achieving such involvement.

These two forms of concern strongly overlap, and this article looks at what various authors have had to say about ways of overcoming these concerns. But first we distinguish between two different types of organizations that undertake projects.

TWO DIFFERENT TYPES OF ORGANIZATIONS THAT UNDERTAKE PROJECTS

I borrow from Cooke-Davies 2002 in describing the two different types of organization as production-based and project-based, and from Archibald et al 2012 (who use different descriptors) in describing them.

- **Production-based organizations** derive most (if not all) of their revenue and/or benefits from producing and selling products and services. They utilize projects to create new, or improve existing, products and services; enter new markets; or otherwise improve or change their organizations.
- **Project-based organizations** derive most (if not all) of their revenue and/or other benefits from creating and delivering projects / programs to external customers.

The relevant point to note here is that the above concerns apply primarily in production-based organizations. Such concerns are evidently rare in project-based organizations. As Debourne & Archibald 2017 observe (“project-driven” is their descriptor for what I have described as “project-based”):

From our face-to-face interviews we learned that, for “project-driven” companies, the job of project manager is an essential experience to become a CEO.

TWO RECENT CONTRIBUTIONS ON INCREASING PM INVOLVEMENT

“The calm before the storm” – Wake 2017

Wake’s article is a substantially generalised polemic which broadly says that project management is not doing enough to convince others of the value of project management. The following quotes give something of the flavour of his arguments.

The Project Profession has to get and maintain its voice.

It’s our fault we haven’t made our case as well as we should. And it’s our problem to fix. But time is ticking and things are not improving.

Project management needs to expand itself. Go into areas which create success. It sure as hell is not more process.

Where is your lobby to get a seat on the Board and the rest of the Board and its investors educated about your value? Where is the evidence? The proof?

Wake does not spell out the specific nature of the benefits that project management can offer to senior general managers. Like many writers, he appears to take the value of project management in such situations as being self-evident. But obviously, it is far from self-evident to many senior managers.

We now turn to quite a different perspective about the role of the project manager in the broader context of a production-based organization.

“Proposals to accelerate advancement from project manager to senior executive” – Debourse & Archibald 2017

The title of this article accurately reflects its contents. The authors set down proposals at three levels.

Individuals: Personal level proposals

From their research, the authors have unearthed a multitude of different personal level proposals for project managers to progress to higher levels in production-based organizations. However, many of these proposals are rather generalized, and not necessarily specific to project-related attributes. The following proposals are those that appear most directly relevant to project management.

- To have a relationship to project management development
- Finding ways to promote your project
- Enlisting a sponsor’s support

However, there is virtually nothing in the large number of proposals put forward by the authors which spells out how the project know-how of individual project managers would enhance their advancement to senior executive positions.

Enterprises: Proposals for companies and other organizations

The authors identify four approaches, summarised as follows:

1. Integrate project management into the formal evaluation process
2. Adopt PMI's career framework
3. Develop a project-oriented organization
4. Develop project management education, certification, and related credentials

The problem with the above is that we appear to have a chicken-and-egg situation. Surely senior management of the organization will need to have already been convinced about the value of project management before agreeing to initiate or approve the above approaches.

Professional Associations: Proposals for action by PMI, IPMA, and other professional associations

After detailing relevant conclusions drawn from their research, and explaining the logic of their reasoning, the authors say that the strategy for project management professional bodies could be the following (partially summarised):

- Provide more guidance and resources to program/project managers in order to reach senior executive positions, for instance in developing certifications of a more strategic nature.
- Capitalize in their members who can be “go-betweens” linking program/ project manager positions with senior executive positions. PMI has members who are CEOs, and so in a position to:
 - Identify them
 - Work with them to build a project management culture
 - Create, for instance, a special interest group (SIG) or Community of Practice (COP) for CEO and high-level leaders
- Encourage best PM writers to publish in top-level journals like Fortune or Harvard Business Review
- Develop specific seminars on PM for non-project senior executives
- Negotiate and build partnerships with the professional bodies of CEOs and HR managers. The PMI Global Corporate Council could be the best PMI organization for developing such strategies

On the face of it, these would appear to be reasonable strategies. However, they are still short on specifics of just what benefits senior executive management could expect to gain from project management.

Commentary on these contributions

Neither contribution spells out what specific benefits project management can bring to senior general management. There is an implication that these are self-evident, but

they are obviously not for many senior managers. We need to be able to specifically demonstrate to them how they can benefit from project-related inputs. More on that later. We will now look at another related perspective on project mgt.

THE LANGLEY / NAUGHTON TALENT TRIANGLE

The Talent Triangle

As briefly mentioned in Stretton 2018b, an article by Naughton 2013 in this journal commented very favourably on an opening address to the 2012 Global Congress by Mark Langley, President and CEO of the Project Management Institute.

Naughton reported that Langley outlined and described the three major skill sets that tomorrow's project leader will need to possess – namely Technical project management, Leadership, and Strategic and management skills, which he called the Talent Triangle. This is illustrated in Figure 1 (albeit in a less elegant configuration than the original, but useful for my present purposes).

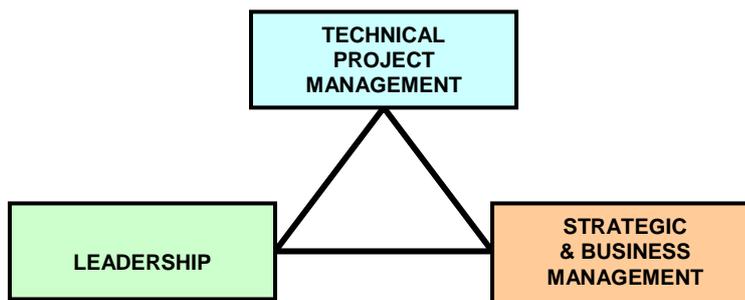


Figure 1: The Langley / Naughton Talent Triangle – adapted from Naughton 2013

Naughton points out that this is strikingly similar to IPMA's Eye of Competence logo in its 2006 Competence Baseline, and goes on to observe that this similarity

....appears to represent some form of consensus on the profile of the future project manager by the world's two most respected professional organizations IPMA and PMI.

So, if Langley and Naughton are right, it appears likely that leadership, and strategic and business management, may become a good deal more prominent than they currently are in project management educational agendas, and in practice. The latter two in particular are relevant for project managers seeking senior management positions. But, first we will look briefly at technical project management.

Technical project management

As noted in Stretton 2018a, project management operational-related causes of project failure comprised 30% of all causes of failure. This aspect of technical project management relates directly to the execution phase of the project life-cycle. The most

striking thing about these causes of failure was that most of them are very specifically covered in virtually all project management standards.

So, why is this group of causes so high? How effective are our basic standards, in terms of helping improve results? These appear to be relevant questions to ask, and I suggested a couple of possible reasons, as follows.

I am told by project management colleagues who are well experienced in working in production-based organizations that the project management work is often allocated to people who have no prior experience in this sector, and are unaware of the existence of these standards. This could account for some of the above.

Even amongst those with prior experience, how many of them actually refer to, and actually use, these standards in practice? Or is the problem that these standards do not cover a sufficiently wide range of types of projects – e.g. those with high initial uncertainties about goals, and/or about methods of achieving them?

Whatever the causes, there seem to be some very significant unanswered questions about the utility and usage of current project management standards.

In any event, it appears that there are quite a few project managers who are less than proficient in this skill set. Be that as it may, as discussed in Stretton 2018b, we would like to see technical project management become progressively more involved in pre-execution phases.

Leadership skill-set

In Stretton 2018a, we saw that there are two sets of leadership-related causes of project failure, namely *organizational leadership* (15% of total causes), and *project management (PM) leadership* (9%). The latter is the more immediately relevant to the leadership section of the Talent Triangle.

Project management leadership causes of project failure (9%)

As recorded in Stretton 2018a, this group has the following component causes:

- Relationships management
- Lack of trust
- Poor delegation
- Lack of focus
- Lack of commitment
- No clear team objectives

As also recorded in Stretton 2018a, most of these PM leadership-related causes are failures which are also frequently seen in general management. I went on to suggest that perhaps this could be seen as reinforcing the need for more relevant general management materials in project management standards.

This could also be associated with the *Strategic and business management* component of the Talent Triangle.

However, leadership is different from management, and I quote Naughton 2013 as follows.

In business, **Management** can be measured by the ability to deliver results through a process, often by applying technical knowledge, whereas **Leadership** demands that results are achieved through the application of people skills.

I conclude by noting that the importance of effective leadership has always been recognised by project practitioners, and is being increasingly recognised in the project management literature. Perhaps at some time in the future we may come to differentiate between “project leaders” and project managers?

Organizational leadership causes of project failure (15%)

The other type of leadership-related causes of project failure was associated with senior management of production-based organizations, and comprised 15% of total causes of failure. I list them below for two reasons. First, although they are not directly project management leadership related causes, these organizational leadership causes directly impact on the ability of project managers to manage their own projects effectively. Second, those project managers who aspire to reach senior general management levels in production-based organizations would be very well advised not to neglect the listed causes. (The first two causes were recorded more than once in separate listings).

- Lack of top management support (3)
- Resource management problems (2)
- No leadership stability
- Inadequate governance
- Lack of training
- Lack of project management focus
- Lack of project management culture

I do not have much more to offer on the subject of project leadership, except to repeat my belief that it is much more important to project success than is commonly recognised in the project management literature.

Strategic and business management skill-sets

Strategic management skill-set

In Stretton 2018b I produced a figure showing potential for progressively increasing project management involvement in pre-execution phases of projects. The main bulk of this figure is reproduced in Figure 2 below – the only items I have added for this article are *Increased PM Involvement (4)* and *Post-execution PM Involvement*.

The organizational strategic business framework is represented in the top two rows of text boxes in Figure 2, and the links with projects and project management set down beneath them. If the recommended increased PM involvement processes are successful, then the project manager will already be heavily involved in organizational

strategic planning. It would not seem to be all that difficult to acquire additional strategic management skills as a first step towards facilitating advancement to senior management levels.

This process is being strongly facilitated in Ireland, as Naughton 2013 reported:

Over the past two years we [the Institute of Project Management in Ireland] have also offered our Strategic Project Management Diploma which embraces in depth, leadership development and strategic business management. This attracts an experienced and nuanced audience that in numbers reflects only a fraction of those attending lower level certified programmes.

In Stretton 2015d, which was concerned with approaches to increasing “business” success in the project management context, an earlier version of the potential for progressively increasing project management (PM) involvement in pre-execution phases shown in Figure 2 included the following comment.

Progressive increase of PM involvement in strategic management processes would be facilitated by progressive acquisition by PMs of strategic management know-how and skills which are recognised by senior GM [general management], and are seen to complement their contributions to strategic management processes.

It is also noted here that the APM Body of Knowledge (APM 2012) has a section specifically on Strategic Management (Section 1.2.3), as do OGC 2007 and PMI 2013, which are both program management standards.

Business management skill-set

Starting on a personal note, virtually all my nearly forty years direct experience was in project-based organizations. In Lend Lease / Civil & Civic in particular, we ran each project as a business, with only very limited central services. For example, as Murphy 1984:69 records the comments of a CEO of Civil & Civic,

For example, we regarded a site manager, putting up a building, as being the manager of a business. He was given certain targets, and he had to run it as a business.

It was therefore essential for our project managers to have relevant competences in business management in particular. It was also essential for at least some of them to have the same in strategic management, particularly when they were helping clients sort out their own organizational strategies.

In a recent article in this journal, Pirozzi 2017 said that project managers need to have knowledge and skills in business, general management and economics to help in effective engagement of the project’s stakeholders. He expressed this as follows:

In order to build, develop, and maintain effective relations with the stakeholders, specific knowledge and skills have, then, to be addressed.

- business environment: ... awareness of the specific business environment is fundamental to manage customer expectations

- general management and economics: these knowledge and skills are needed in order to interact properly with the sponsor, the board, the funders etc., and with the clients too,

To me it is rather self-evident that a project manager who does not have broader knowledge and skills in matters which are relevant to the broader contexts in which projects are undertaken will struggle to be really successful in this avocation.

Adding strategic and business management skill-sets to Stretton 2018b:Fig. 3

As already fore-shadowed, I have added *Increased PM Involvement (4)* and *Post-execution PM Involvement* to last month’s Figure 3 in Stretton 2018b. Whilst it does not do justice to all the issues discussed above, it indicates a couple of additional possibilities for project managers to become more involved in senior management activities by adding strategic and business management skills to their project skills.

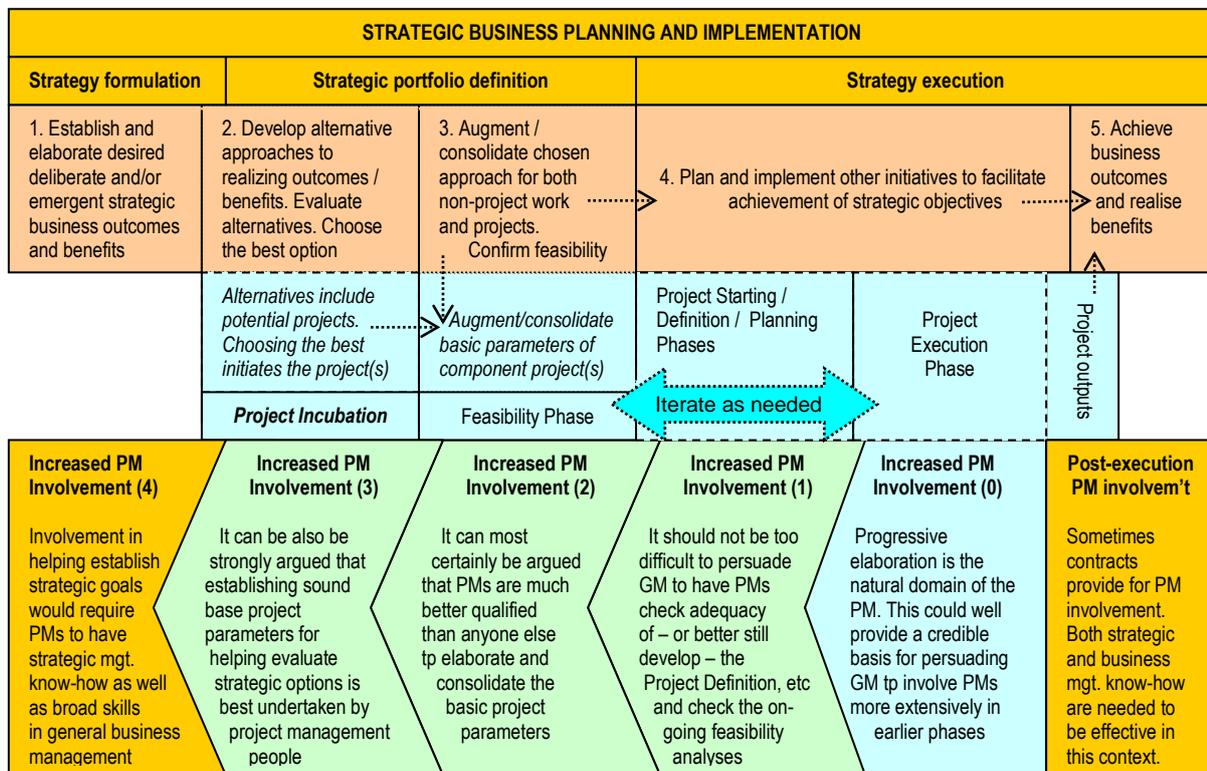


Figure 2: Adding strategic and business management skill-sets to Stretton 2018b: Figure 4

(The *Increased PM Involvement (1), (2) & (3)* sections also indicate how specific project management skills can help make strategic planning and implementation processes more effective – referring back to a point I made earlier about the contributions of Wake 2017 and Debourse & Archibald 2017.)

Of course, strategic and business management are only part of the responsibilities of senior general management in production-based organizations. What about directing and managing its ongoing current operations?

ONGOING OPERATIONS MANAGEMENT & PROJECT-SPECIFIC BENEFITS?

Arguably, the main day-to-day responsibility of senior management is with current ongoing operations – i.e. with producing and selling products and services. In the context of this article, the question then arises as to what specific benefits project managers have to offer senior management in the ongoing operational domain.

One way of looking at this question is to recognise that project management has a strong general management component, and that project managers bring substantial know-how about the latter to potential senior management positions. But this is certainly not a project-specific benefit, and I can only conclude that project managers do not bring anything special to operational responsibilities of senior management in production-based organizations.

However, project managers themselves do not appear to agree with this observation. In their very substantial survey, Debourne & Archibald 2017 found that

A large majority of respondents (88%) stated that project management experience prepares them for a senior executive position, even if it also constitutes a pro domo pleading.

This rather gung ho assessment of the worth of project management in this context is not dissimilar to assessments of many project management writers (including Wake above). However, it is not so widely shared by senior general management in production-based organizations. As Debourne & Archibald noted from their research,

In some companies,, to reach a CEO position it is important that the project manager first goes through at least some of the various operational functions within the organization. Here is a typical CEO quote: “Managing projects requires rigor, a compulsory method. But this is not enough. It takes **personality, charisma, an ability to evolve**. We must focus on people who have aggressiveness and willingness to succeed”. [My emphases]

It would therefore appear that project managers who aspire to senior management levels in production-based organizations would be well advised to follow the personal level approaches identified by Debourne & Archibald, briefly discussed above.

My own observation, after nearly forty years in project-based organizations, is that, whilst a few good project managers also became good senior general managers in that environment, a substantial number proved to be only mediocre, at best. My own conclusion from this observation, and from very substantial personal experience in both roles, is that being a good project manager does not necessarily mean that one will also be a good general manager (senior or not) – indeed, far from it.

SUMMARY/CONCLUSIONS

After distinguishing between production-based and project-based organizations, we began this article on potential for increasing project management involvement in senior management activities in production-based organizations with some quotes from Wake 2017. His rather generalised polemic does not spell out the specific nature of the benefits that project management can offer to senior general managers. Like many writers, he appears to take the value of project management in such situations as being self-evident, in spite of the fact that it appears to be far from self-evident to many senior managers.

Debourse & Archibald 2017 discussed three levels of proposals to accelerate advancement from project manager to senior executive. Their large number of personal level proposals do not spell out how the project know-how of individual project managers would enhance their advancement to senior executive positions. However, as just noted, they may be very relevant for aspiring senior managers.

Their proposals for companies and other organizations imply that senior management of the organization is already convinced about the value of project management before agreeing to initiate or approve the above approaches. Their proposals for action by PMI, IPMA, and other professional associations would appear to be reasonable although, they are still short on specifics of just what benefits senior executive management could expect to gain from project management.

We went on to look at the Langdon / Naughton Talent Triangle, which nominates three major skill sets that tomorrow's project leader will need to possess – *Technical Project Management, Leadership, and Strategic & Business Management* skills. The latter two are also important skill sets for senior management at large, and could be doubly attractive for some project managers to pursue further – particularly amongst those who get involved in pre-execution project management activities.

Finally, it was pointed out that organizational strategic and business management are only part of the responsibilities of senior general management, and that typically their main day-to-day responsibilities are with current ongoing operations. I opined that project managers do not appear to bring anything special to operational responsibilities of senior management in production-based organizations.

However, Debourse & Archibald found that 88% of project managers in their surveys believe that project management experience prepares them for a senior executive position. I also observed that this rather gung ho assessment of the worth of project management in this context is not dissimilar to assessments of many other project management writers.

But it is a simple fact that many, if not most, senior general managers do not agree, and believe that project managers need to have a broader range of experience, and/or particular types of personal attributes, to be successful in senior general management. My own observations from a long and varied experience in project-based organizations,

in both general management and project management positions, would certainly support these senior management beliefs.

My overall feeling from the above is that, in the context of increasing project management involvement in senior management activities in production-based organizations, there tend to be higher levels of self-importance and/or self-satisfaction and/or sense of adequacy in the project management community than is justified by the actualities of the real world.

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