
*The Connected Future Business Culture:
The Great Project Management Accelerator*

The Continual Innovation Culture¹

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Introduction

“Culture eats strategy for breakfast” is a famous quote attributed to the legendary management consultant and writer Peter Drucker. We believe he was on the mark with his views. As we look at tackling the topic of innovative cultures, we find ourselves dealing with a tight thread connecting the impact of culture on the business strategic direction and mostly what program and project teams value and behave. The success of tomorrow’s strategic programs and projects will highly depend on the how organizations learn and fast from the recent global experiences that have disrupted everything from the ways we work, think, secure our supplies, tackle the environmental challenges, or handle the growing major geopolitical conflicts.

The next decade is expected to rely on a project management culture due to the high shift to the project way of working. Excellence in operating and strategically executing portfolios of initiatives will require a rethinking of work practices and ways of leading. This is why we need innovation cultures that will get project managers closer to the board rooms’ dialogues and to the critical tradeoffs that executive teams will need to make to adapt to the highly changing expectations of markets and the increasingly complex ecosystem of stakeholders.

In this article, we will discuss several of the attributes of tomorrow’s continual innovation cultures. It is in our view that a strong experimentation and learning priority will drive the strategic agenda of the future businesses that manage to achieve unprecedented growth targets and effectively move change agendas forward.

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THE NEED FOR INNOVATION MUSCLES

In 2020, Mohamed Alabbar, Emaar's CEO, announced a shift to project-based work. For many who have believed in the strategic value of project management for decades, this is an example of a welcomed move to anchor in place the value of a projects' mindset. Emaar abolished traditional job titles and turned to an operating model where employees are not being defined by a department they belonged to, but by the projects they work on (Nieto-Rodriguez, 2021).

If we relate this to the project management issues and challenges that we had been facing around projects success related to the classical silos that exist on organizations across the business verticals and their impact on the fluidity of work, we realize that moves like Emaar's, are superb in taking down many of the unnecessary obstacles and empowering the matrixed way of working those projects need and depend on.

One of the key reasons for the disparity in consistent excellence in projects' delivery has been attributed to the shaky alignment across many of today's organizations' cultures. Organizations have serious viruses that could negatively affect innovation and create consequences to the initiatives that we invest in. In addition to silos, behaviors of leaders, where we spend our time, and what gets measured, are all among many of the viruses that need to be treated and thus handled with a new mindset and practices that create the future differentiation needed.

THE MODEL

The high-level elements shown in Figure 1 combine a set of key building blocks that could be a strong foundation for the innovative future culture and its ways of working (Zeitoun, 2021).

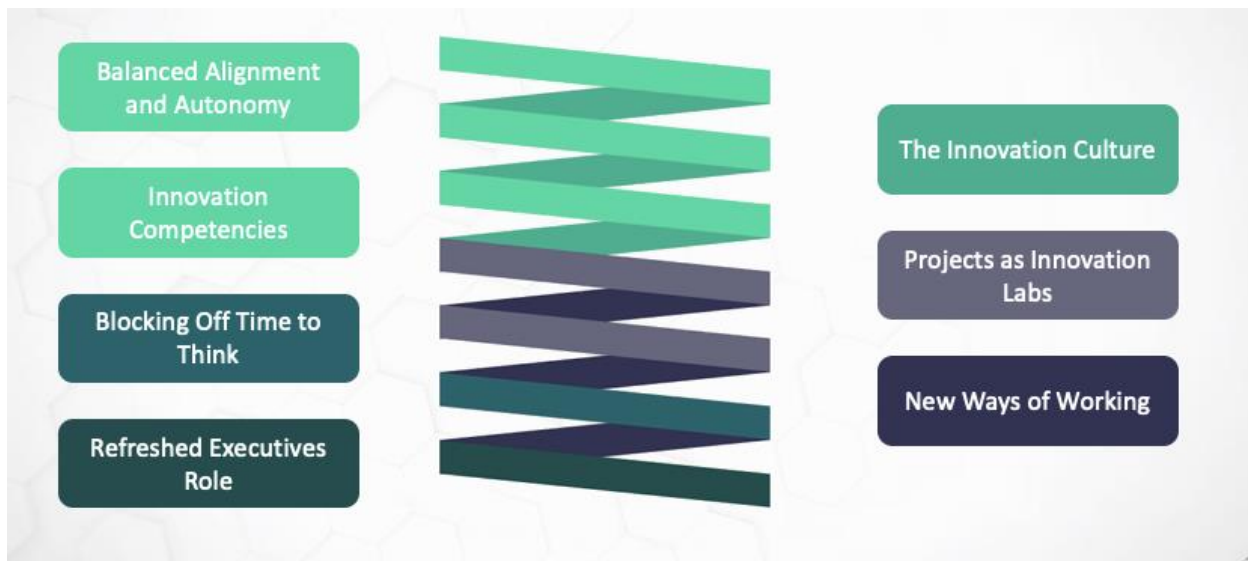


Figure 1 – A Continual Innovation Culture Model

Tackling the footprint created by the elements of this model sheds the light on where we could head with our organizations in the next decade to prepare our journeys and to turn the focus on creating the proper experiences for our customers and the entire stakeholders' chain. The model highlights the need for continual innovating, learning, and finding balance in the ways of working and in making critical decisions. The future of work is hybrid. Achieving balance is one of the critical questions to answer regarding that hybrid future culture (Kerzner, H., Zeitoun, A., & Vargas, R., 2022).

The future innovation competencies are addressed in the next section. Of note here in the model is the ignited focus on creating the time to think. The recent few years have shown the importance of being more reflective and of marking our calendars to see where are we truly spending our times in relationship with our strategic priorities and the creation focus that is necessary for growth. Also, of note the concept of using projects and programs as innovation labs. This is such an important orientation for initiatives to enable their use to question and to continually innovate our approaches. This covers delivery methods, the mix and skills of teams, the role of leaders, the incorporation of customers views, how we empower partners, the right technology mix, and the many other ingredients that could be tested if we view our initiatives from this lens.

CREATING THE FUTURE EXPERIENCE CULTURE

With advances in project management processes, such as using Agile or Scrum rather than a traditional Waterfall Methodology, emphasis is being placed on applying project management practices to innovation projects. For more than 50 years, there have been articles expounded the benefits of implementing project management practices. There have also been publications discussing the challenges we face with misalignment of project management processes to business objectives.

Today, as we apply project management practices to innovation and strategic business practices, the challenges resulting from misalignments and disconnects are being highly publicized. There still exists a reasonably high failure rate on certain types of projects. On innovation projects, some companies see failure rates or significantly less than expected results exceeding 80 percent. More failures than ever before are appearing due to misalignment of critical factors. We have known about project management misalignment issues for some time and the devastating results they can bring. Fortunately, application of project management practices to other types of projects, such as business-related or innovation, is expected to generate sufficient research for meaningful solutions to be found.

Organizations of the future will strive to build an experience culture. This is the culture that is highly strategic in its ways of working and is closely aligned with creating an excellent customer experience and an expanded business experience. Every program and project team would be equipped with future skills such as the ones highlighted in Figure 2 (Kerzner, H., Zeitoun, A., & Vargas, R., 2022).

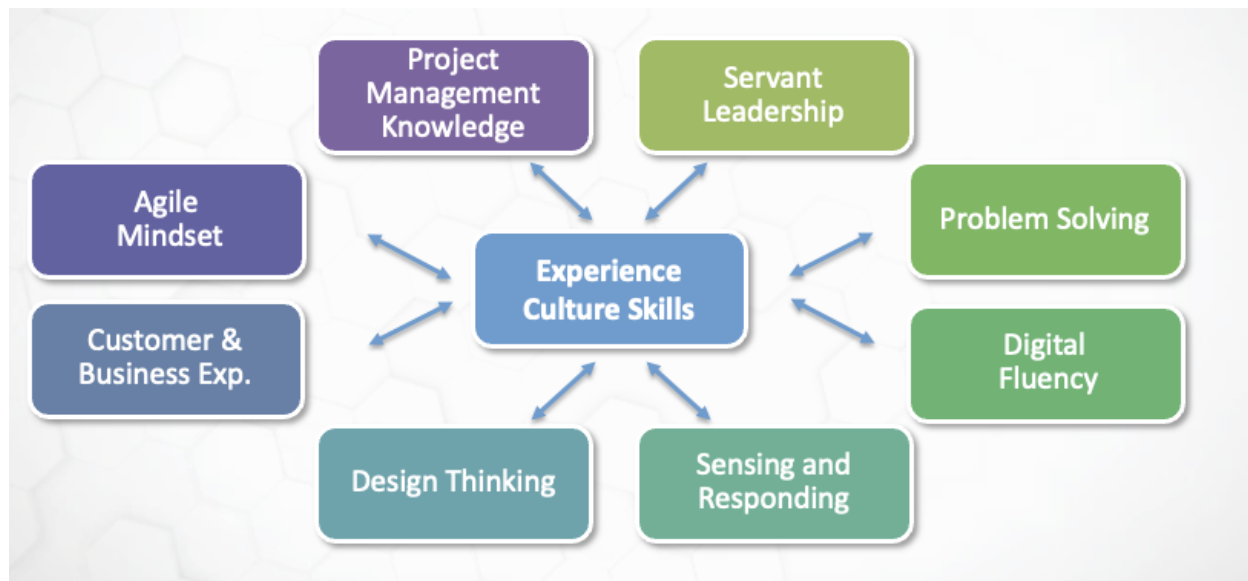


Figure 2 – Experience Culture Skills

The skills shown reflect the continual commitment organizations in the next decade will have to invest in. They represent a balanced commitment to the value of software and its associated digitization and the human qualities and skills of the future. This shift to serving coupled with a changed and prevailing agile mindset will challenge many of the executives of today. The sensing and responding focus in these skills when building on enhanced design thinking and problem-solving skills will create the right foundation of the critical thinking needed for the future of work.

EDUCATING EXECUTIVES

Senior management are the architects of the corporate strategy. Unfortunately, they often just establish strategic goals and objectives without fully understanding how projects can be used to achieve these strategic goals and objectives. Strategies are implemented using projects. Senior management must understand how project management can impact business strategies. Misalignment occurs when management has a poor understanding of how to translate strategy into projects [Ansari et al. (2015) and Young & Grant (2015)].

Senior management often delegate the responsibility of innovation project identification to others but retain the authority for project approval. Innovation projects may be approved without careful consideration of their alignment to strategic issues. Managers

asked to identify innovation projects may select those projects that are aligned more so to their functional unit strategies rather than critical corporate business strategies.

Innovation priority setting is usually a senior management responsibility. The priorities assigned to the innovation projects must be aligned with business strategy [Srivannaboon & Milosevic (2004), (2006)]. Companies usually have more innovation projects in the queue than they can execute with existing organizational resources. Selecting an innovation project and assigning a priority must be based upon capacity planning information that identifies worker skills needed and resource availability. Misalignment occurs when innovation projects are established and prioritized without a clear understanding of resources needed. Project managers can assist with identifying skills needed and determining resource availability. Unfortunately, project managers seem to be brought on board the projects after project approval and prioritization takes place.

The future of work and the innovation and experience culture creation will hinge on tomorrow's executives committing to many of the principles and investment in the skills highlighted in this article. The call to action is massive. Executives can't operate the way they have operated for decades. Their value proposition hinges on their ability to implement the building blocks for tomorrow's innovative organizations. This is a tremendous strategic opportunity for project and program management to get to the position of impact they have been poised for throughout the years. Projects bring a tremendous use of the diversity that innovative future cultures will cherish the most.

THE PATH FORWARD

The growth and application of project management practices to new types of projects such as innovation and R&D will mandate changes to how we execute projects. At the onset of a project, even before a contract is signed during competitive bidding activities, the PMs will meet with the stakeholders and business owners to determine how project success will be defined on this project (i.e., the success criteria) and select the metrics to be used to measure that the success criteria are being met. The cost incurred for measurement and reporting may not be known until the metrics are selected.

One-size-fits-all approaches will be replaced by flexible methodologies. The methodology selected, as well as the accompanying processes and metrics, may be unique for each project. The days of project management standardization will disappear

in many companies. This can lead to additional misalignment issues unless senior management plans for project management's future.

The path forward requires a strong commitment to transparency and to not treating cultures as the elephant in the room. Cultures are all our behaviors, priorities, and the continual innovations we implement for how we work and how we experience the outcomes we create. Ideally a continuous improvement-based journey should be targeted and driven by future companies' boards. In the future key stakeholders have to keep innovation continuously on their strategic radars and risks tradeoffs, and the associated achieved value will follow.

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Dr. Harold Kerzner is Senior Executive Director for Project Management for the International Institute for Learning (IIL). He has an MS and Ph.D. in Aeronautical and Astronautical Engineering from the University of Illinois and an MBA from Utah State University. He is a prior Air Force Officer and spent several years at Morton-Thiokol in project management. He taught engineering at the University of Illinois and business administration at Utah State University, and for 38 years taught project management at Baldwin-Wallace University. He has published or presented numerous engineering and business papers and has had published more than 60 college textbooks/workbooks on project management, including later editions. Some of his books are (1) Project Management: A Systems Approach to Planning, Scheduling and Controlling; (2) Project Management Metrics, KPIs and Dashboards, (3) Project Management Case Studies, (4) Project Management Best Practices: Achieving Global Excellence, (5) PM 2.0: The Future of Project Management, (6) Using the Project Management Maturity Model, and (7) Innovation Project Management.

He is a charter member of the Northeast Ohio PMI Chapter.

Dr. Kerzner has traveled around the world conducting project management lectures for PMI Chapters and companies in Japan, China, Russia, Brazil, Singapore, Korea, South Africa, Canada, Ireland, Germany, Spain, Belgium, Poland, Croatia, Mexico, Trinidad, Barbados, The Netherlands, Sweden, Finland, Venezuela, Columbia, United Arab Emirates, France, Italy, England, and Switzerland. He delivered a keynote speech at a PMI Global Congress on the future of project management.

His recognitions include:

- The University of Illinois granted Dr. Kerzner a Distinguished Recent Alumni Award in 1981 for his contributions to the field of project management.
- Utah State University provided Dr. Kerzner with the 1998 Distinguished Service Award for his contributions to the field of project management.

- The Northeast Ohio Chapter of the Project Management Institute gives out the Kerzner Award once a year to one project manager in Northeast Ohio that has demonstrated excellence in project management. They also give out a second Kerzner Award for project of the year in Northeast Ohio.
- The Project Management Institute (National Organization) in cooperation with IIL has initiated the Kerzner International Project Manager of the Year Award given to one project manager yearly anywhere in the world that demonstrated excellence in project management.
- The Project Management Institute also gives out four scholarships each year in Dr. Kerzner's name for graduate studies in project management.
- Baldwin-Wallace University has instituted the Kerzner Distinguished Lecturer Series in project management.
- The Italian Institute of Project Management presented Dr. Kerzner with the 2019 International ISIPM Award for his contributions to the field of project management.

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Dr. Al Zeitoun is a Future of Work, business optimization, and operational performance excellence thought leader with global experiences in strategy execution. His experiences encompass leading organizations; delivering their Enterprise Digital and Business Transformation; guiding fitting frameworks implementations; and using his empathy, engineering insights, and collaboration strengths to successfully envision new business models and execute complex missions across diverse cultures globally.

In his position, as the Executive Director for Emirates Nuclear Energy Corporation, Abu Dhabi, UAE, he was responsible for creating the strategy execution framework, achieving transformation benefits, governance excellence, and creating the data analytics discipline necessary for delivering on the \$40B complex country energy mission roadmap.

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With the International Institute of Learning, Dr. Zeitoun plays a senior leader and global trainer and coach. He was instrumental in driving its global expansions, thought leadership, and operational excellence methodology to sense and shape dynamic ways of working across organizations worldwide. He speaks English, Arabic, and German and enjoys good food, travel, and volunteering. Dr. Al Zeitoun can be contacted at zeitounstrategy@gmail.com