



Return of the Project Managers

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In the past UK managers have voiced their distrust of techniques like project management. But now its scope has widened and it looks set to become more central to business conduct. By Terry Cooke-Davies

It has never been easy to manage profitable growth and it is becoming less so. The competitive business world of the 1990s is faster paced, more complex and more fiercely competitive than ever. But intensifying competition in the marketplace is not the basic problem, nor is the hectic pace of technological development. The pressures can be felt from every direction. The prizes nowadays go to companies which are simultaneously more flexible, more in tune with their customers' wants, more focused on their main product or service, and more professional in every aspect of business.

In these conditions, chief executives are constantly looking for ways to make their organisations flatter, leaner and more responsive. They worry about how to improve the quality and enterprise of their management teams. They are concerned to see that short-term expenditure is consistent with the long-term objectives of the organisations. In the public sector, directors generally strive to

provide an improving level of service while their budgets come under increasing pressure. Everything is taking place against a need to achieve more with ever fewer people.

There is one approach to management which can help to relieve each of these problems. Since it has now been around for several decades its name -- project management -- is hardly unknown. Yet it is no less effective for that. Flexible project teams allow resources to be focused more appropriately on the immediate needs of the business. Project-based budgeting allows business spending to be precisely aligned to business strategy. Further, experience of managing projects helps a management team to develop exactly those qualities of initiative and effectiveness which chief executives believe to be in short supply.

For these reasons, among others, project management is currently enjoying an upsurge of popularity. Indeed, it looks like becoming more and more central to the conduct of business -- as a core management mechanism -- during the coming decade. Senior executives who wish to accelerate this process would do well to focus on four basic aspects of project management, in order to make it work effectively for them. Before looking at these basics, however, there are one or two ghosts to lay. These derive mainly from the perception which most practising managers have of project management. Asked what they associate project management with, they will conjure up pictures of major engineering works or large computer installations. Even the terminology puts people off: expressions like work-breakdown structure and critical path analysis, sound mechanistic and clumsy in a world which respects human qualities and which increasingly rewards flexibility and speed.

Thus the image of project management seems inconsistent with that of the swashbuckling entrepreneur (or intrapreneur) who is the hero of modern business. Tom Peters, the American management guru, has many times claimed that the problems of US companies in the 1970s were due to an over-reliance on

management techniques. And today, on this side of the ocean, senior directors of major British companies can be heard voicing their distrust of project management techniques, as being too rigid or cumbersome for their requirements. It's undeniable that project management can suffer from an over-emphasis on technique. Besides, traditional project managers who are often drawn largely from the engineering discipline, seem unlikely to join the entrepreneurial heroes of the 1990s. But this is to miss the main point about project management.

A project is simply a piece of work with particular characteristics -- a specific objective, a beginning and an end, and a series of linked activities in between. Looked at this way, project management could well be regarded as an enabling mechanism which allows innovation and change to take place. Many organisations are deeply involved in programmes of customer care, or total quality management, or just-in-time manufacturing, not to mention a constant pressure towards new product or new market development. These are all examples of projects which can be implemented more effectively using a project management approach.

More generally, as companies slim down and concentrate on their core businesses, many managers find themselves working as members of project teams while simultaneously carrying out their official jobs. When particular opportunities or problems become a focus of attention, companies are increasingly inclined to set up inter-departmental -- often cross-functional -- project teams, which could well represent an evolutionary approach to the development of new organisational structures. There are excellent reasons for believing that rigid matrix structures will give way, over a period of time, to be replaced by a much more fluid project-team approach.

But to come back to the basics. If top managers want to improve project performance within their organisations, then they should pay attention to each of four separate elements: cultural, structural, practical and personal. Some corporate cultures are much more supportive of project working than others. Project

management focuses on what needs to be done, not on past failures. Project working requires team working skills, rather than rigid functional organisations. Project management values discipline and goal-orientation. It rules out seat-of-the-pants decision-making and self-seeking or prima donna behaviour.

A change to extensive project working in an organisation puts stresses on the whole system. For example, it is difficult to estimate the content of tasks accurately without effective time management and database of past experience. It is also difficult to conduct project start-up workshops in a company which isn't accustomed to team-based meetings. Managements which abruptly decide to adopt project working in an unsupportive culture often find that it flushes out fundamental problems - which then demand to be dealt with. Further, if the majority of the organisation's employees recognise the mismatch, project working will be met with scepticism and a potentially destructive cynicism.

Project management is about attitudes as much as about skills, techniques or procedures. At its simplest, a project team is simply an ad hoc group brought together to achieve a given task. It is likely to be supported by a number of tools and techniques such as critical path analysis, or a project management software package, and it will certainly require a wide range of skills.

The implications of project management go way beyond its immediate effects. Policy issues, such as performance appraisal and remuneration, soon begin to surface. Team working can also have unforeseen side effects for the line manager. Middle managers, in particular, can feel threatened by project working. They may be alarmed to see the hierarchy becoming eroded, and to find themselves working alongside more junior colleagues. Because project management is essentially forward looking, constantly asking the question 'What must we do now in order to achieve our goal?', it is much more supportive of enterprise than of bureaucracy. Mechanistic organisations, with a strong emphasis on analysis and a rigid management hierarchy, will find it very uncomfortable.

Mention of hierarchy leads on to the second basic element organisation structure. When project working accounts for a significant part of a company's activities the organisational structure will need to reflect this. Thus the first question is who should be entrusted with project leadership. In many businesses it is given to promising young managers. In some, the criterion governing selection is availability. The next question concerns the career path of a project manager and how the project management structure relates to the classical hierarchy. There is also the question of the relationship between project management and technical or functional specialists.

In a sense, project management is just another functional area like sales, marketing, finance, production or R&D. In another sense, however, it is the goal-oriented face of all functional disciplines. This dilemma needs to be resolved by the organisational structure. Some businesses duck the issue, and simply create ad hoc project teams within an existing functional or matrix structure. But companies that want to reflect the importance of project management in the organisation usually adopt one of three approaches. They recognise it as a step within a career structure in operations or engineering. Or they disperse project managers throughout the organisation, in a series of specialist project services units. Or, again, they establish a high-level project organisation, with a director of projects reporting in at the most senior level.

The past 10-15 years has seen a shift in emphasis in matrix-based organisations, away from the national axis and towards a product group/ market axis. This trend seems likely to be extended with a move towards a project as against a resource axis. In other words, companies will tend to adopt a flexible project approach, focusing resources on to their primary goals while traditional line managers become responsible for maintaining the resources (human and other) of the organisation. If this does, indeed, turn out to be the case, one benefit is likely to be found in the quality of management. Evidence suggests that project managers have

qualities different from those of line managers. Project management appeals to people who like excitement and challenge to people most capable of turning entrepreneurial ideas into reality.

When one gets down to the practice, project management involves more than just deciding which software to use. The influence of project working will spread into almost every aspect of a company's operation. This is true even in engineering-based companies where project management has been a major strength. As the project-based approach expands to include people from marketing, sales, finance and other areas, engineers will need to understand the concepts, models and working methods of other specialists.

Similarly, the marketing and finance managers will need to understand what is meant by good project management practice. First, and most important, clear goals are a sine qua non of a successful project. These must be expressed in terms of quality, cost and time scale, and the priorities need to be fully understood by the whole team. Second, the startup can be critical. How a project is initiated can ensure its success or failure. In this context, questions such as how contracts are agreed, and the role of the project manager in the bid team, need to be considered. Internally, too, the scope of the project will have to be established in advance. Statements of work, for example, should distinguish between that which is contained within a project, and that which falls within the 'normal' activities of the management team.

Some statement of project practice is recommended for almost all projects. This may be a full-blown methodology, or simply be a handbook of best practice which is initiated by a particular project team, and added to as experience is built up. A project manager will certainly need up-to-date budgeting and cost control information. The project's sponsor likewise needs to know about changes to anticipated costs and performance. These two requirements may sometimes be additional to the company's accounting practices.

An appropriate toolkit is most important. No project planning and management software is ideal for every company in all circumstances. This is one area where biggest is not necessarily best: there is much to be said for keeping things simple. Resource allocation can cause major headaches, particularly if the company insists on following the normal line management practice of using targets rather than estimates. Finally, when project management is up and running, a structured approach to training can accelerate its implementation and increase its effectiveness. Experience shows that a structured approach can reduce either costs or time scales by up to 50% of original estimates, with no loss of quality.

Like all the more important aspects of management, managing projects is an art not a science. And it is an art like the theatre which depends on the interaction of people. Project working is all about team working. This has its own special problems. The classic team development cycle (forming, storming, morning and performing) must usually be compressed into a very short time frame, particularly when members of project teams work at different locations.

The importance of technical competence in a project manager is a frequent subject of debate. He/she needs to know enough about the nature of the project to be able to separate real issues from red herrings. Yet the ability to get the best out of other specialists is at least as important. The two primary skills required by any project manager are communication and planning. Further necessary areas of competence include estimating, plus decision-making and leadership. However, it is a characteristic of projects that each one is different from its predecessor. It follows that projects constitute extremely useful teaching material. By the same token, an ability to learn fast is an invaluable attribute in a project leader.

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