**Project Management**

**Definition:**

Oversight of a project with time-limited objectives and a budget that crosses departmental boundaries; usually involves work with dedicated teams.

**Summary Article:**

Project management (PM) refers to the management and control of projects and temporary organizations. Generally speaking, managing a project concerns a task to be completed with a limited set of resources—be it personnel, material, or financial resources—and within a certain period.

**Conceptual Overview**

The abundance of projects in today's industry and business life has given rise to much interest in PM. And some commentators argue that the use of the project form of organization is still on the increase so that there is continually an ongoing projectization in society as a whole. Many activities are defined as projects and organized as time-limited efforts. One implication of this is that a growing number of people are involved in PM and some of them even have the title project manager or consider themselves to be project managers. This proliferation of projects is paralleled by the availability of practical handbooks in the area. So even if project manager is not an officially recognized profession, it has some of the traits of a profession.

At the very heart of PM is the concern for fulfilling the task of the particular project at hand. That task can be described in physical terms—a house to be constructed, to give one example—or in abstract terms—a reorganization of the market activities of a company, as another example—and the task is central for the project. One foremost prerequisite for good PM is that the project task gets completed. And the ability of a project manager to see to it that the project is planned and organized in such a way that the task is fulfilled within the constraints of the resources provided and on time is what distinguishes an efficient and able project manager from an inefficient one. A project manager is also judged on the ability to handle the group team so that the goals can be attained.

One challenge in PM is to isolate the project from its environment—PM theory assumes that this isolation can be done in practice—and to organize it in overall terms. The ability to manage the project in relation to its proper context is sometimes denoted as project governance and involves organizing the relationships between the stakeholders of the project, be it owners or sponsors, the project manager, and the team involved in carrying through the project. Project governance is concerned with overall effectiveness rather than project efficiency.

The alternative denomination to project, temporary organization, is sometimes used to stress the time dimension—a project has to be finalized within a certain time—but another aspect of the difference between the two concepts project versus temporary organization is that *project* most of the time refers to the practical, normative, aspects of management, whereas *temporary organization* is used in recognition of the fact that the functioning of projects and the relations between projects and their environments in practice often are different from what is stressed in handbooks on PM of the...
normative type. Engineers and engineering sciences are currently dominating the normative, prescriptive scene of PM, whereas behavioral science is concerned with describing, understanding, and explaining project phenomena. That division of the area has been even more evident, not to say obvious, during the past few years.

One matter of concern for PM has been the fact that all projects are strictly unique in terms of time and space. However, one can make use of the fact that similarities exist among projects even though they all are unique in a philosophical sense. The different projects worked on in an architectural office are certainly unique, but there are similarities that can be exploited when carrying the project work through, because the necessary cooperation between architects and construction engineers does not change that much between different projects. It is possible to categorize projects in terms of how unique they are: *repeaters* require routine batch processing, *runners* are quite similar to other projects, *strangers* have elements in common, and *aliens* are unlike anything done before. Recognizing the degree of uniqueness is an important aspect of project governance.

The degree of similarity between projects affects the opportunities to transfer procedures between projects and to standardize PM. In some cases, experiences from previous projects can directly be used in another project. In fact, these cases give rise to a new category of efficiency concerns related to transferability in industries where the degree of repetitiveness is high, such as in architectural firms. The concern is how learning from carrying through one project can be transferred to another project.

No matter the similarities between projects, much effort has been spent on standardizing project procedures. PM professionals have developed schemes and techniques for how to organize and control projects. The most elaborate and complete general scheme is PMBOK (which stands for *project management body of knowledge*), containing not only a set of techniques but also ingredients like leadership, group behavior, and other behaviorally oriented material.

One well-known technique for scheduling a project is PERT (*program evaluation and review technique*), which is a technique for dividing the project work into a set of activities needed to complete a project and for sequencing those activities. In essence, PERT is primarily concerned with finishing the project on time, but it can also be used to diminish resources spent.

Many project actors face a situation where they are taking part in a number of simultaneous projects. Rather than focusing on one project, they have to balance participation in several projects and make priorities in relation to the critical delivery situation in each project. The resources of the organization hosting such a group of projects have to be managed well under such circumstances of project governance importance. Concerns about the project portfolio supersede the concerns about managing an individual project. But handling a set of projects has implications for the individual as well as for the total host organization. Thus, practical PM is very much concerned with scheduling resources to achieve the objectives of the project or the objectives of the set of projects. In the architectural industry, the ability to schedule is crucial not only for delivery of project results but also for soliciting new projects for the firm.

**Critical Commentary and Future Directions**

As hinted above, the attention to the PM field is divided between PM professionals oriented toward engineering and others, primarily researchers who are behaviorally oriented. On the professional side, some strong organizations are active in not only promoting PM but also promoting specific PM
techniques. Currently, two professional organizations are of dominant importance: Project Management Institute (PMI), predominantly consisting of U.S. members, and the International Project Management Association (IPMA), which is based in Europe. These two organizations not only have their own publications including professional journals, but they also arrange conferences for professionals regularly. Essentially, these conferences function as benchmarking activities for professionals in the PM field. Interestingly enough, the conferences are generally organized in themes by industry, furthering the idea that there is some kind of industry specific PM.

The practical experiences of PM professionals at work obviously play an important role for the development of PM. As indicated above, there is a shift toward concerns about the people working in projects and about organizational aspects of projects. Behaviorally oriented researchers have entered the PM area studying projects or project-based organizations from various perspectives. Because this movement originated in Scandinavia, it has sometimes been referred to as the “Scandinavian School of Project Studies.” These developments have been particularly strong during the past decade or so and have resulted in specific research conferences in the PM field on a worldwide basis. The International Research Network on Organizing by Projects (IRNOP) has organized such research conferences biannually, and one of the professional organizations, PMI, has also launched a set of research-oriented conferences during the past few years. Both of these endeavors have drawn considerable interest also from PM professionals.

However, the divide between practitioners and researchers can still be seen when comparing classical PM literature with the modern organizational theory type of PM literature. The mutual interest of both approaches does seem to promote the development of the field, though, and the differences between the two groups are not always detrimental.

Project work is essentially teamwork, and the past few years have seen an increasing interest in people aspects of project work. The fact that projects and temporary organizations are just that—temporary—has effects on how people behave and on how they view the work being done. And most of the time, the task to be fulfilled is clear not only to people involved but also to the general public. PM has a more transparent situation when it comes to the way to manage as compared to any general organization.

The same is also true for members of the team. The task is clear for the members of the team, as well as for their environments. The result seems to be that people working in projects are highly motivated in doing what they are doing and very focused in their work. One aspect of this is that highly efficient project people might get stuck in the so-called honey trap, presumably where project work, by virtue of its selfreinforcing nature, leads to stress and burnout reactions. Problems with people working in projects and problems of people are matters of ongoing investigations into the nature of PM. Most certainly there are also other PM problems of an engineering type to be solved—for instance scheduling—but practitioners and researchers alike seem to agree that people problems are likely to be of major concern for the future.

Also there seems to be agreement concerning the need to sort out efficiency and effectiveness notions in a project context. Traditionally, a project that does not fulfill the task assigned with the resources at hand and on time has been regarded as a project failure. However, there are several examples of successes when projects are not ready on time and that are characterized by serious overspending. One well-known example is the Sydney Opera House. On the other hand, certain types
of projects are almost never considered to be successful. One group of such projects is IT projects, with failure rates close to 100%.

Exploring connections between the development of PM as a professional field and organizational theory certainly will be one of the concerns in the future because professionals often ask what can be learned from organizational theorists. What are the crucial differences between temporary organizations and permanent ones? Sometimes projects in practice are not very temporary organizations, whereas no organizations are permanent in the very long run. And how can the trends of projectization be understood in contemporary society?

See also

Classical Management; Engineering-Managerial Discourse

Further Readings


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Harvard

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