Chapter 12

Project Management Culture

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ABSTRACT

The chapter outlines the importance and influence of organizational culture on contemporary project management in the context of variable and complex environment. The main objective of the study is to show what shapes the culture of project management and how it influences the effectiveness of managing projects in circumstances of the contemporary environment. Individual chapters disclose the essence and importance of organizational culture; besides, attention is brought to factors that form the culture of project management with a specific emphasis on social factors, which play the key role. Based on the results of research carried out in Polish companies, the last part of the chapter presents the influence of organizational culture and forming it factors on effectiveness of project management. It also displays the most important aspects of project management culture that influence the effectiveness of project management in realities of today’s environment.

INTRODUCTION

In today’s economic reality enterprises are being continually transformed due to constant changes taking place in their environment. These changes develop characteristics of dynamic processes - transformations that fundamentally change the way of enterprise’s operation. This fact brings about a natural need of searching for new ways of functioning, which would allow companies to gain a competitive edge. Project management is a commonly used approach that enables realization of business objectives of enterprises in unstable and demanding environment. Keeping up with the competition, growing expectations of customers, significant and fast advance in technology require changes and new ideas and this task is accomplished with use of projects. The environment of project management is also a subject to constant changes, which are more and more often characterized by turbulence, instability and complexity.

Project managers currently have to deal with more and more serious challenges and complexity of projects. This is caused by both quickly changing business environment and the changing character of projects themselves. Many managers work under considerable pressure to finish complicated and uncertain tasks in the shortest time possible, at the same time taking into consideration criteria of cost, quality and...
end customer’s satisfaction. Thus, it can be assumed that a project is a high risk activity where managers have to deal with many types of uncertainties, such as technical, financial, organizational and personal. As a result, a vital necessity to improve project management effectiveness arises. (Hillson, 2002; Ward & Chapman, 2003).

The occurring processes create need for acceleration of actions. Speed of action, enhanced by fast development of information technology, is perceived as one of the key factors that have impact on company’s competitive advantage. In enterprises where acceleration becomes particularly important, learning and training of every member of staff is essential; it is based on generation and absorbance of knowledge by organization and intended to improve its effectiveness and contribute to its further development (Maira, 1997). Such phenomena appear mostly thanks to internal knowledge transfer, which occurs predominantly in interdisciplinary teams. The specifics of projects demand and consequently lead to close cooperation between people “representing” different fields of knowledge, while continuous and improved communication and exchange of information enable teams to attain quick results and synergy effects. Besides, complexity is currently a particularly significant aspect as it is a considerable constraint in the decision-making process. At the moment, the complexity level is so high that standard and routine schemes, actions and procedures often do not work properly. In practice results of project teams work often do not meet clients’ expectations - they exceed the set time limits and the intended budget, in spite of management techniques use and processes aimed to improve project management effectiveness. Some researches disclose certain limitations of the effectiveness of this approach in business projects environment (Fortune & White, 2006; Raz et al., 2002). It may be caused by the fact that enterprises sometimes act hastily, unaware of the essence and importance of organizational culture for project management. Complexity and variability of contemporary environment are so wide-ranging that it would be very difficult, if possible at all, to characterize them explicitly. Moreover, new elements keep appearing and further complicate the state of the environment. In such settings of the environment, schemes or universal methods of operation may not provide expected results without a proper consideration of the aspect of organizational culture. A large number of studies concentrate on and pay particular attention to the use of tools, techniques, processes and methods of project management (Ahmed et al., 2007). This study, however, focuses on the dimension of culture within project management environment and attempts to disclose the importance of organizational culture for effective project management.

BACKGROUND

Andersen (2008) defines organizational culture as common basic assumptions regarding human aspect, social interactions and perception of the environment kept to in an enterprise. Marguardt (2002) believes that culture is grounded on values, beliefs, rituals and customs, whereas Shein (1990) thinks that organizational culture consists of two layers: perceptible and imperceptible properties. The perceptible outer layer comprises buildings, clothing, regulations, history and myths. The other embraces values, norms and assumptions of organization members. Ajmal & Koskinen (2008) agree with this view saying that culture exists on different levels of organization and manifests itself in virtually all aspects of organizational life.

Andersen (2008) distinguishes organizational culture of the parent organization (enterprise) and the culture within its projects. Wang (2001) defines the culture of project management as a collection of values and benefits that appear in the environment of project management professionals. Du Plessis &
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