Chapter 4

Project-Based Organizational Maturity in Architecture, Engineering, and Construction: A Theoretical Premise for Practical Purposes

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ABSTRACT

“Theory and practice” seems to be a common phrase in project-based organizations these days due to the academic nature of the work involved in business. This chapter describes the authors’ vision for how project-based firms, such as architecture, engineering, and construction organizations, can reach organizational maturity in their respective practices. The chapter articulates the utility of project management maturity models as a necessary means for maturity measurement and growth. Likert-type scales are mentioned as a tool used by consultants to assess organization parameters, as a way of quantifying certain data that can assist with necessary changes. The authors share recommendations in the technology arena, as well as theory research constructs that may help project-based practitioners and companies better understand and apply maturity strategies. These are some of the prime elements in use in these types of organizations because they create value as well as survival enhancements.

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INTRODUCTION

Organizations at all levels, globally and locally, have one consistent goal in common: to create value and strive to survive in extremely competitive markets. This is especially important for project-based organizations. These companies use multiple organizational assets and environmental factors to create value. There are several ways to implement value. For example, value comes in the form of physical assets, including finances and technology. Other less tangible forms, such as human capital, organizational processes and procedures, and even social resources, also create value (Jugdev & Thomas, 2002). One specific strategy that project-based organizations can pursue to procure more value is by identifying their most favorable uses of project management maturity models across the organization. Maturity models are tools that help an organization identify strengths and weaknesses and provide benchmarking information. To articulate this from an industry perspective, organizations such as architectural, engineering, and construction (AEC) companies incorporate maturity models to help advance their project management practices. AEC firms are true project-based organizations that thrive on efficient and effective ways to implement their projects within the daily operations of the company. Project management endeavors can be costly, time consuming, and resource intensive, depending on the scale and scope involved. Since organizations are interested in seeking practices that will help improve their competitive position in their respective markets (Jugdev & Thomas, 2002), maturity models and strategies can facilitate this improvement.

Maturity models (MMs) [at the project level and organizational level] help organizations recognize unambiguous proficiencies in current systems as a way of creating an organizational standard. Although project management maturity and organizational maturity are not synonymous, it is imperative that project-based organizations, like AEC firms, acknowledge that sufficient maturity in project development potentially renders overall organizational maturity. Keep in mind that not all the elements articulated in this chapter are solely focused on project management fueled organizations. The information applies to other organizations with operations and specialties that are not directly executed as traditional projects. The use of project management maturity models are essential tools to advance the overall organizational maturity in numerous kinds of organizational structures. This is similar to appreciative inquiry, which acts as one of the theoretical premises in the pursuit of what works well with positive outcomes (Reed, 2007). Maturity models are becoming more prevalent and popular in organizations, as businesses seek to understand why some projects fail and others succeed (Project Management Institute, 2013a).

Competitiveness is a favorable outcome for businesses that believe maturity models are valuable tools. The stages of most models begin with identifying an organization’s evolution. It starts with the most immature project management initiatives, and concludes with practices that are most effective during execution. In the right system and structure, these stages are supported by related infrastructure enabling project work to succeed (Dinsmore, 1998; Kerzner, 2013). This work is best accomplished at the organizational level in contemporary project-based management. MMs provide a framework of criteria to be administered at progressive levels of organizational maturity. Models such as these, generally use Likert-type scales to gain consensus on select issues. The scales are typically used by consultants who conduct organization assessments. Implementing maturity models within project-based organizations, such as AEC firms, is one key to effectively measuring the overall level of corporate maturity. Items from the scales can help measure internal project-based management efficiencies, or the lack thereof.

Now that the overview has been expressed in this introduction, the overarching purpose and objective of this chapter is two-fold. First, the authors have offered associated perspectives on how the theoretical