Chapter 23
The Impact of Project Management Methodologies on Project Success: A Case Study of the Oil and Gas Industry in the Kingdom of Bahrain

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ABSTRACT
This study assessed the impact of project management methodologies (PMMs) on project success in the oil and gas industry in the Kingdom of Bahrain. It also explored the different project methodologies used along with their strengths and weaknesses. Quantitative approach with the support of qualitative interviews was used to achieve the objectives of this research. A total of 95 survey responses were received and 17 interviews were conducted. Projects in the oil and gas industry are more about safety than speed, and hence, the use of comprehensive methodologies and applying the relevant methodology elements are important for oil and gas projects. Furthermore, the companies in the oil and gas industry in Bahrain have to pay more attention to their project management methodologies and get it evolved and improved over time to achieve higher project success rates.

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The Impact of Project Management Methodologies on Project Success

INTRODUCTION

Organizations convert the arising business and technological opportunities into projects in order to grow and achieve their strategic goals. Project success is the ultimate objective of all organizations and stakeholders and hence, achieving project success is an obsession of every organization. Despite the research in this field and the increased knowledge associated with project success and failure, projects continue to fail in satisfying the needs of different stakeholders (Cooke-Davies, 2002; Joslin and Muller, 2015). The Standish Group (2010) conducted a study that revealed only 32% of the investigated projects were successful against 44% challenged and 24% failed.

PMI (2017) defines project management as “the applications of the relevant knowledge, tools, skills and techniques to project activities to meet the project objectives”, and adhering to Project Management Methodologies (PMMs) reduces the risk, cuts the costs and improves the success rates (PMI, 2010). That’s why different PMMs have been employed by different organizations in order to increase the efficiency and effectiveness of their projects. However, Wells (2012) conducted a study that revealed 47.9% of project managers don’t get what they expect from applying project methodologies. On the contrary, Joslin and Muller (2015) showed that PMMs contribute 22.3% to project success which supports Berssaneti and Carvalho (2015) in that adopting well established methodologies improve project performance.

Furthermore, cost overruns and schedule delays are the common themes in the oil and gas projects which impact the project’s efficiency (Halari, 2010). Since proper project management contributes to the success of projects, this study will explore the project management methodologies in the major oil and gas companies in Bahrain. The oil and gas industry in the Kingdom of Bahrain was selected for this study as it is the most vital sector in Bahrain. Currently, and as a result of the sharp drop in the oil and gas prices locally and internationally, there is a greater need to achieve project success by timely completion of activities, adhering to approved budgets, delivering the agreed specifications and satisfying the different stakeholders.

The aim of this cross-sectional study is to assess the impact of PMMs on project success in the oil and gas industry in Bahrain and to explore the different methodologies including their weaknesses and strength points. Consequently, the following research questions were developed:

1. What is the impact of PMMs on project success in the oil and gas industry in Bahrain?
2. What are the different PMMs used in the oil and gas industry in Bahrain?
3. What are the strengths and weaknesses of each methodology?

As there is a little literature about project success in the oil and gas industry, this study will contribute to the literature of project success and project management practices in the oil and gas industry in general and particularly in Bahrain. Furthermore, it will provide more insights to practitioners by exploring the PMMs that are used in the oil and gas industry in Bahrain. It will also improve the understanding of the impact of PMMs on project success. Additionally, it will provide insights to decision makers, project managers and other project stakeholders into which methodology is more effective for achieving project success.

This paper is organized in five sequential sections. It starts with literature review followed by methodology section. Then, it will touch on results analysis, discussion and conclusion.