Chapter 19

Changes of Projects by Considering the Principles of Sustainable Development Case Study: Transforming the Project Hospital North

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ABSTRACT

Permanent organizations, such as companies, divisions, profit, and cost centres, as well as temporary organizations, i.e. projects and programmes, change. Reasons for changes might be new values of organizations such as transparency, empowerment, stakeholder participation, risk-orientation, etc., which are values on which sustainable development is based. Different change types, namely organizational learning, further developing, transforming, and radical re-positioning can be identified and can be described by specific chains of processes. For performing change processes of permanent organizations projects and programmes can be applied. The processes for managing the different changes of projects, in which the principles of SD might be considered, are described. The focus is on the management of transforming a project. The case study: Transforming the Project Hospital North is based on a comprehensive analysis of this project transformation in the book Project Management & Sustainable Development Principles by Roland Gareis, Martina Huemann, and André Martinuzzi (all WU Vienna) published by PMI (Gareis et al. 2013).

INTRODUCTION

The relationships between change management and projects were analyzed in a special issue of the International Journal of Project Management edited by the author and Martina Huemann (Gareis/Huemann 2010). There the focus was on changes of permanent organizations, such as companies, divisions or profit centers, by projects or programs. The potential of projects and programs to deliver changes was demonstrated. Here the focus is on changes of projects. Not only permanent
organizations but also temporary organizations, i.e. projects and programs, are subject to change. Change management approaches can also be applied to projects and programs.

Projects are perceived as change objects and dimensions of projects to be changed are identified. SD principles might be a reason for changing a project. Different types of project changes, namely learning of a project, further developing a project, transforming a project, and radically new-positioning a project are introduced. These different change types require different approaches for their management. SD principles might be considered in managing changes of projects.

The case study: Transforming the Project Hospital North is based on a comprehensive analysis of this project transformation in the book “Project Management & Sustainable Development Principles” by Roland Gareis, Martina Huemann and André Martinuzzi (all WU Vienna) published by PMI (Gareis et al. 2013).

MANAGEMENT OF CHANGES OF PERMANENT ORGANIZATIONS

The term “change” relates to an important and basic development. Changes are of different intensity and speed, and can occur at the individual, the group, the organizational, or the societal level (Kasper/Mayrhofer 2002). Change has a strategic dimension, as it is “the movement of a company away from its present state toward some desired future state to increase its competitive advantage”(Hill/Jones 2001: 486). Different change types, namely learning, further developing, transforming, and radical new-positioning, which are requiring a different change management approaches, can be differentiated.

Change management is the management of a change. Change management tasks are to

- Define the change type, the change object and the change dimensions.
- Define the required change process.
- Design the change organization (change roles, communication structures, etc.) and culture.
- Plan and control the change processes and the change methods to be applied.
- Manage the transitions between the processes in a chain of change processes.
- Perform the change communication with internal and external stakeholders.

Change Objects and Reasons for a Change

Permanent organizations, such as companies, divisions, profit and cost centres, are objects of change. The internal structures and the contexts of these social systems define their identities. Dimensions of the internal structures of an organization are its objectives and strategies, its services, products, and technologies, its organizational structures and culture, its personnel and infrastructure as well as its budget and financing. Context dimensions are its stakeholders, its contribution to the higher social system it belongs to, as well as the history of the organization and its expectations regarding the future.

These identity dimensions are possible objects of change of an organization. The perception of an organization as a social system promotes this holistic consideration of it as a change object. The success of a 2nd order change depends on an integrated consideration of the previously mentioned change dimensions (Whittington et al. 1999). For managing a change successfully, the change objects have to be clearly defined. This creates a basis for designing the change and planning the required change management interventions.

From a systemic point of view reasons for a change can either be interventions from stakeholders of an organization (e.g. its shareholders, clients, suppliers) or its internal dynamics, based on the self-organizational capabilities of a social system. Self-organizational processes of a com-