

**Managing the Institutional Context for Projects:
Part 1 – An issue with organizational "Levels"**
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Introduction

In the Project Management Journal ("PMJ") of December 2011, the Project Management Institute ("PMI") published a most interesting paper entitled *Managing the Institutional Context for Projects*¹ by Peter Morris and Joana Geraldi.² The paper is clear, well researched, well argued and well presented. In all, if you do not have a copy of that PMJ, it is well worth obtaining a copy of the paper from PMI and studying it closely.

In this Part 1 we will examine the concept of "organizational levels" that are described in the Morris and Geraldi paper.

Paper abstract

By way of background to our observations that ensue, the abstract for the paper reads as follows:

"Project management is widely seen as delivering undertakings on time, on budget, and on scope. This conceptualization fails, however, to address the "front end"³ [of a project] and its management. Addressing the front end moves the discipline to a second, more strategic level. This article proposes a third level of conceptualization: the institutional level, where management is focused on creating the conditions to support and foster projects, both in its parent organization and its external environment. Management is done *for* and *on* the project rather than *in* or *to* it. We show that management at this level offers an enlarged research agenda and improvement in performance."⁴

Paper introduction

Indeed, the authors observe in their Introduction:

"While projects have existed and have been managed, since the dawn of time, project management, in its modern form, as characterized by the language, tool, and techniques, and concepts that we now associate with it, first appeared in the early 1950s (Johnson, 1997). Since then, much has taken place to improve our knowledge about, and performance in, the management of projects.

The thrust of most work in developing the field has, quite naturally, been about the managers working on projects need to do in order to deliver them successfully. Later we began to ask questions about what we really might mean by 'success' and, almost simultaneously, began to recognize the important role [corporate] management has in developing the project's definition – in managing the [so-called] 'front end'.

This article acknowledges an emerging third category in the development of project management thought: what we have termed, following Parsons (1951, 1960), the 'institutional level'. We propose management can be thought of in terms of three levels:

- **Level 1: Technical** – that is, operational and delivery oriented;
- **Level 2: Strategic** – managing projects as organizational holistic entities, expanding the domain to include their front-end development and definition and with a concern for value and effectiveness; and
- **Level 3: Institutional** – managing the institutional context, creating the context and support for projects to flourish and for their management to prosper."

The paper goes on to describe each "Level", the analysis of each and the authors' overall findings. In the sense of an organizational hierarchy, Level 1 would be at the bottom, climbing to level 3 at the top.

The basic proposition

We are fine with the concept of treating the so-called "front end" of projects in terms of "Hierarchical Levels". That is assuming that these levels of management, in a vertical hierarchal sense, are associated with correspondingly earlier and earlier phases or stages of the project's life span, albeit typically portrayed horizontally! Although the match may not be exact, it is not unreasonable for purposes of analysis and serves the paper well. In fact, many companies recognize the existence of multiple phases in the front end of projects in a concept known as "Front-end" or "Front-end loading" (FEL).

Examples of project life spans encompassing specific front-end phases are shown in Figures 1,⁵ and 2.⁶

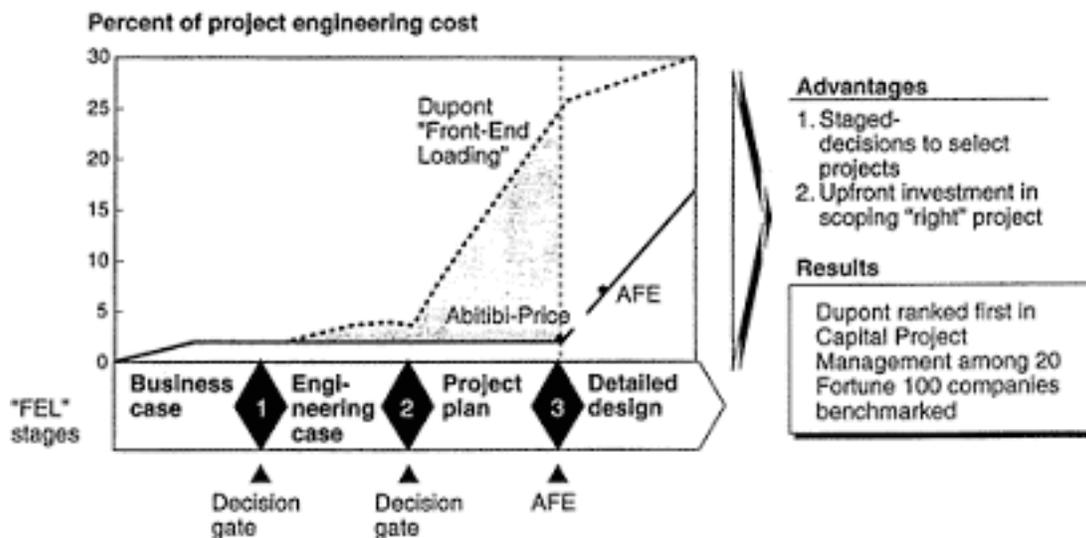


Figure 1:Additional phasing added to a construction project.

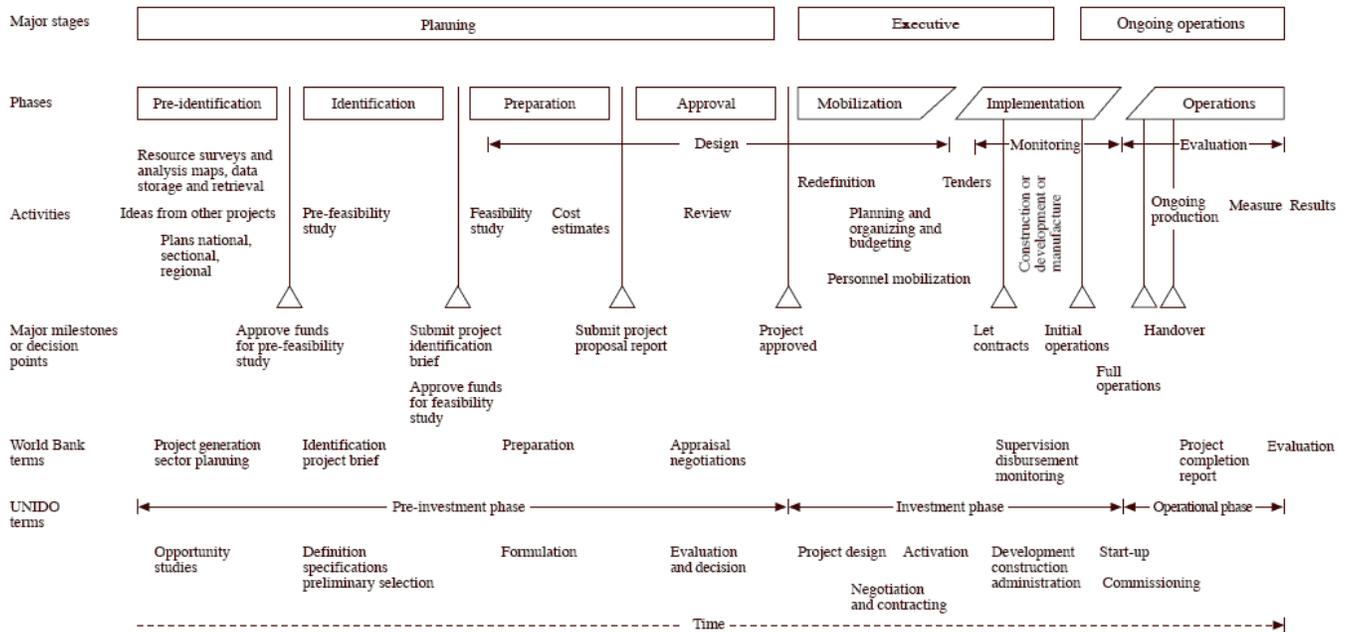


Figure 2: Additional phases found in a World Bank project

Figure 3 illustrates the vital pre-assembly phases of a new systems project in the highly technological world of systems development.⁷

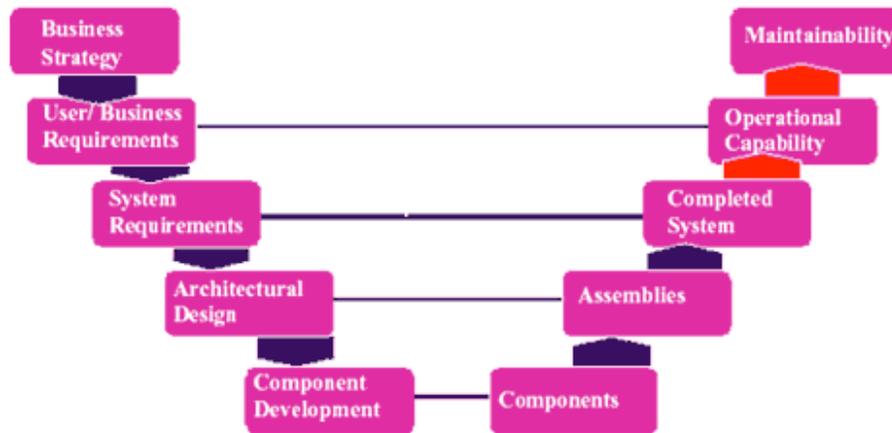


Figure 3: The essential pre-assembly phases of a system development project

Our paper: *The Role of the Project Life Cycle (Life Span) in Project Management*, from which these illustrations are drawn, reviews the evolution of the project life span over a period of three decades, the 1980s through to the 2000s. So it is interesting that this topic should reemerge now in the fourth decade. Indeed, the authors observe that:

"Yet this area needs managing. In fact, there is huge evidence (going well back to DOD days) that the front end is both where the most damaging errors get built in and, alternatively, where there is the biggest scope for enhancing value (Morris, 2009)."⁸

The authors go on to observe that:

"The PMBOK[®] Guide does not address the development nature of project front-end management"⁹

We strongly support these observations by the authors.

Notwithstanding, our serious concern and specific comments are with "Level 1: Technical". In any discussion of project management, the term "technical" is ambiguous and imprecise. Amongst the knowledge areas of project management, the term "technical" may be used to differentiate the so-called "hard" skills such as time management, cost control management, or risk analysis, from the soft skills such as communications and people management. However, the term may also be used to refer to the work involved in managing the technology of the product to be delivered or, in other words, a surrogate for "technology" management.

Thus, we believe that much more work needs to be done on this Level 1 as described. Indeed, we believe that "Level 1" is actually two levels, as we shall try to demonstrate. For convenience we will label these as Levels 1a and 1b, to avoid confusion with the Levels 2 and 3 as described by the authors.

Managing the product versus managing the project

Level 1a

At *Level 1a* we see the basic management of the project being laid out and determined according to the domain area of the product. In other words it concerns the design of a Project Life Span that satisfies the control requirements of the technology involved. For example, a project in the domain of engineering-procurement-construction will go through a number of phases and stages such as those shown in Figure 4.¹⁰

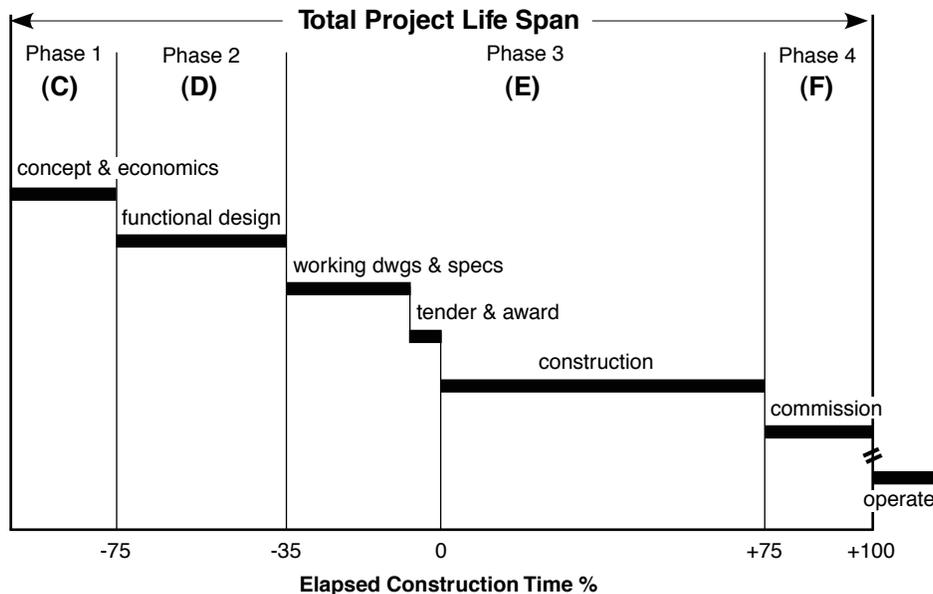


Figure 4: Typical construction project bar chart

In contrast, an IT or similar project will go through a different set of phases and stages. That is, with or without identifying similar major milestones, such projects often include stages involving iteration associated with the technology, and generally over a relatively shorter time span, see Figure 5.¹¹

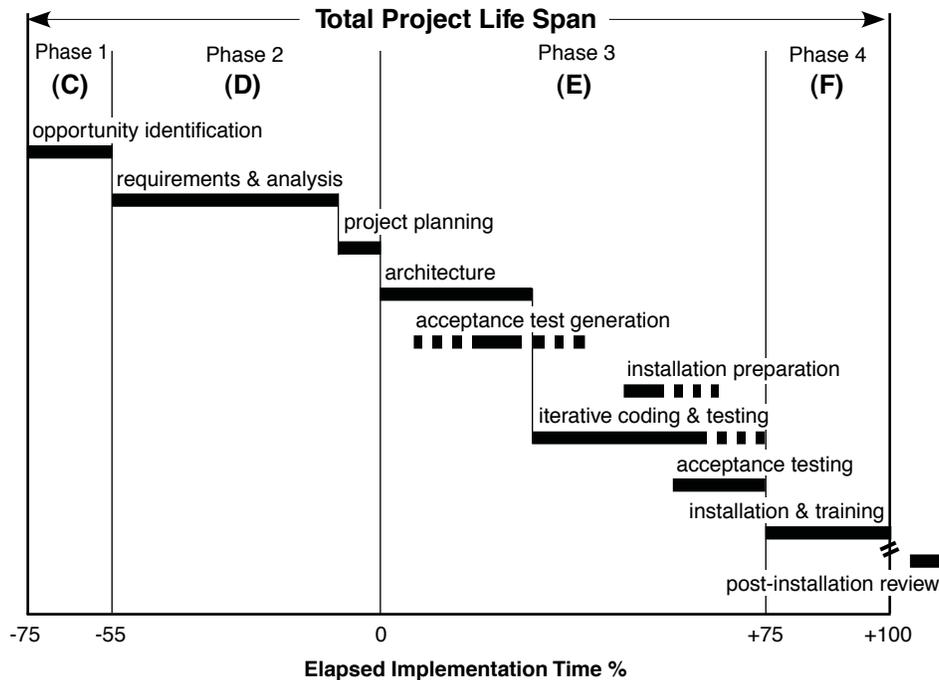


Figure 5: Typical information systems project bar chart

In short, *Level 1a* is the management of the technology involved.

Level 1b

At *Level 1b* we have the management of the specific project as exemplified by the contents of *The PMBOK® Guide*. As an aside, while this document's full title is "*A Guide to the Project Management Body of Knowledge*" the contents are actually a guide to the management of a single project, which is not the same thing!

If anyone is in any doubt about the existence of these two distinct levels, the *PMBOK® Guide* itself says (and has consistently said from its first edition):

"The project processes are performed by the project team with stakeholder interaction and generally fall into one of two major categories:

- **Project management processes.** These processes ensure the effective flow of the project throughout its life cycle. These processes encompass the tools and techniques involved in applying the skills and capabilities described in the Knowledge Areas (Sections 4 through 13).
- **Product-oriented processes.** These processes specify and create the project's product. Product-oriented processes are typically defined by the project life cycle (as discussed in Section 2.4) and vary by application area as well as the phase of the product lifecycle. The scope of the project cannot be defined without some basic understanding of how to create the specified product. For example, various construction techniques and tools need to be considered when determining the overall complexity of the house to be built.

The *PMBOK*[®] *Guide* describes only the project management processes. Although product-oriented processes are outside the scope of this document, they should not be ignored by the project manager and project team. Project management processes and product-oriented processes overlap and interact throughout the life of a project."¹²

Regrettably, these two distinct categories appear to be almost entirely overlooked by the project management community, including academia, so that the two *Levels* are inadvertently discussed together and then people wonder why there are so many dissenting views on the subject of managing projects!

Summary

To summarize, we have, in the very first level, the so-called *Product Oriented Processes* sequence that essentially sets the basic workflow demanded by the nature of the technology involved. Earlier, we labeled this as *Level 1a*. The next level up encompasses the *Project Management Processes* as described in the *PMBOK*[®] *Guide*. The Guide provides advice on those aspects that should be given consideration in the running of the project rather than assembling the product. Earlier we labeled this as *Level 1b*.

As the *PMBOK*[®] *Guide* points out, these two sets of processes overlap and interact throughout the life of the project and must therefore proceed in lockstep. Interestingly, many companies recognize this intuitively, by assigning two key people to manage a large project. One is a subject matter expert responsible for overseeing the evolving technology of the product, and the other is responsible for organizing the proper conduct of the project in terms of scope, quality, time, cost, risk and so on. Clearly, these two people must work closely and effectively together, a condition that requires compatibility of personalities – and is an added hazard of project management.

If what we have described is accepted, then what we labeled as Levels 1a and 1b should be seen as Levels 1 and 2, with the previous levels 2 & 3 renumbered to Levels 3 & 4 respectively. More importantly, however, overarching all of this are the control requirements of the sponsoring organization. These requirements are required to satisfy the organization's reviews of strategic direction, financial limitations, and the need to enable the newly emerging discipline of project portfolio management.

In this context, perhaps these requirements should more properly be referred to as the corporate organization's project "governance" requirements. They are typically imposed on the life span of each project in the portfolio as "executive control gates". Figure 6 shows examples of such "gates" at the major milestones of a conceptual project.¹³ The reader should especially note the phase marked #1 in the Figure. This is where key documents should be produced such as a *Value Proposition*, but more particularly a **Business Case** that justifies the emergent project going forward. In our view, the approval of a business case is where the project really begins!

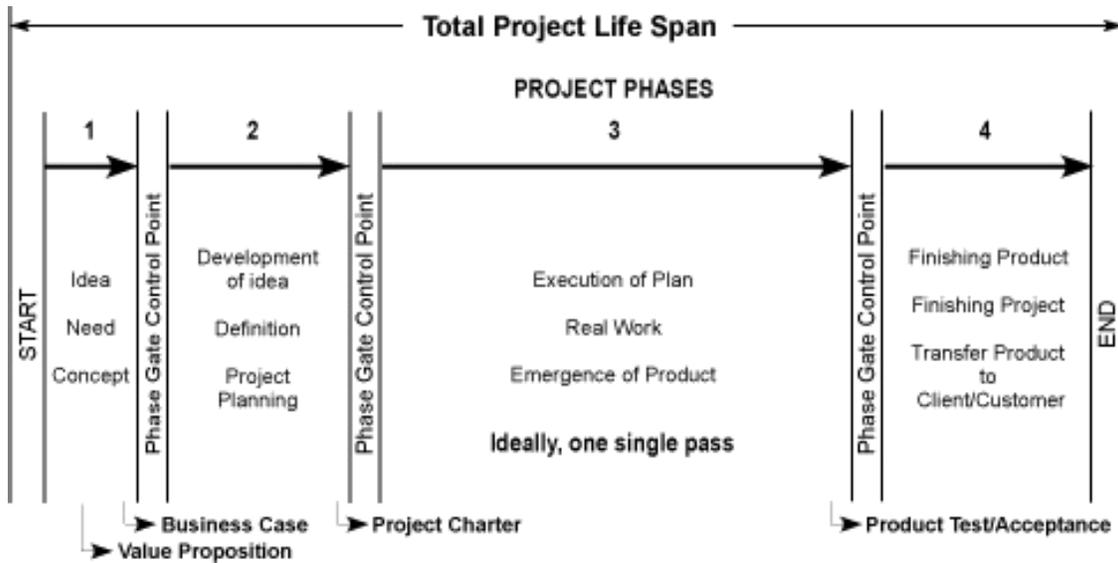


Figure 6: The project life span phase deliverables and executive control gates.

But in any case, this "front end" is where the foundation of the project is established and possibly the most important decisions are made, decisions that will have a marked effect on the overall success of the project. And these major decisions can be made at this time at least cost as illustrated in Figure 7.¹⁴

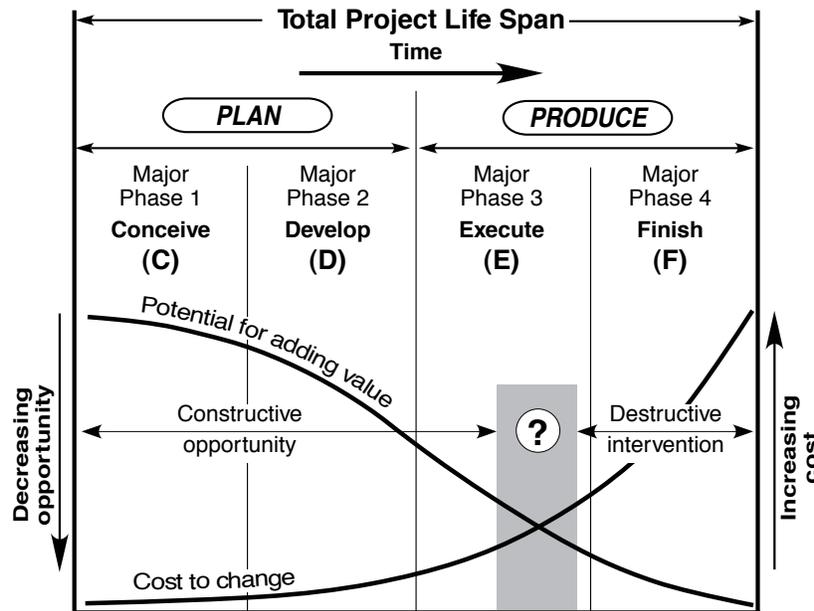


Figure 7: Potential for adding value at least cost in the project life span

Thus, we can see how the four levels, as implied by authors Peter Morris and Joana Geraldi in their paper *Managing the Institutional Context for Projects*, are successively influenced by the vital "front end" of a project. Indeed, as the authors state: "there is huge evidence (going well back to DOD days) that the front end is both where the most damaging errors get built in and, alternatively, where there is the biggest scope for enhancing value".

The "front end" is the essential link in connecting the project's three other levels to the organization's strategic fourth level but is, unfortunately, so often overlooked in the project management institutional literature.

In Part 2 of this paper we will take a look at our view of the need for basic research in project management.

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¹ Morris, Peter W. G., & Joana Geraldi, *Managing the Institutional Context for Projects*, Project Management Journal, published by the Project Management Institute, Philadelphia, USA, December 2011, pp20-32

² Professor Dr. Peter Morris and Dr. Joana Geraldi are both from the Bartlett School of Construction and Project Management, University College London, London, UK

³ "Front end" refers to that part of the project life span that is at the very beginning, or even just before it, depending on when the organization responsible for the project, deems it to "start".

⁴ Morris, et al, p20

⁵ This Figure 1 can be found as Figure 13 in *The Role of the Project Life Cycle (Life Span) in Project Management, A literature review by R. Max Wideman* on this page: <http://www.maxwideman.com/papers/plc-models/1990s.htm>. This paper was updated in February 2004, but the graphic dates back to consulting work conducted in 1996.

⁶ This Figure 2 was provided to us by Bob Youker around January 2004.

⁷ This Figure 3 can be found as Figure 19 in *The Role of the Project Life Cycle (Life Span) in Project Management, A literature review by R. Max Wideman* on this page: <http://www.maxwideman.com/papers/plc-models/1990s.htm>. It is attributable to author Peter Morris.

⁸ Morris, et al, p21

⁹ Ibid. Although this statement was published in 2011, referring to the PMI publication of 2008, this statement is still true of the latest PMI standards published in 2013.

¹⁰ Wideman, R. Max, *A Management Framework for Project, Program and Portfolio Integration*, Trafford, USA, 2004, Figure 5-10, p58

¹¹ Ibid, Figure 5-12, p59

¹² *PMBOK® Guide Fifth Edition*, Project Management Institute, Philadelphia, USA, 2013, Section 3, pp47-48

¹³ Wideman, *A Management Framework*, Figure 5-1, p49

¹⁴ Ibid, Figure 5-17, p63