Alignment of Project Management Processes and Business Strategies

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Abstract

Misalignment between project management processes with business strategy may cause business managers to miss achieving tangible goals and objectives. Misalignment can occur at various levels of a project and could result in loss of competitiveness, reduction in revenue, cost increase, and extension of project completion duration. The purpose of this article is to present the findings of a study that explored the strategies project managers in the telecommunications companies in South Sudan used to align project management processes with business strategies to improve project performance. Data were collected from eight business leaders who have successfully aligned project management processes and business strategies to increase project performance using semistructured face-to-face and telephone interviews. Findings from the
study include the need for project managers to get involved in development of strategies in project planning, provide support to stakeholders, use effective communication skills during business interactions with employees, vendors and contractors, as well as in dealing with government agencies and South Sudan dynamic market.

**Keywords:** Project management, Alignment, Business strategies

**Type of Paper:** Research Paper

**Introduction**

This paper presents research findings of a study conducted to determine the strategies project managers in the telecommunication business in South Sudan used to align project management processes with business strategies to improve project performance. Researchers have indicated that most projects are not completed on schedule and budget, and do not meet customer’s expectations (Bhat, Gijo, & Jnanesh, 2014; Garg & Garg, 2013). The failure of project managers to align project management processes with business strategies could lead to a costly outcome for business organizations (Rijke et al., 2014). Project failures are very common due to project misalignment with business strategy (Alsudiri, Al-karaghoul, & Eldabi 2013). Sande and Haugland (2015) stated that some firms experienced misalignment losses of 10.3% due to failure to meet end-product demands on time, and a 5.3% loss regarding cost reductions. Rijke et al. (2014) reported that between 20% and 44% of projects failed to meet the scope, time, or cost criteria in the infrastructure sector. Some of the results of misaligning project management processes with business strategies include (a) reduced business profitability, (b) loss of market share and reputation, (c) increased
turnover of management and workforce, (d) lower productivity, and (d) higher costs (Confonto et al. 2014). According to McAdam, Hazlett, & Galbraith (2013), companies that have strong alignment between the business strategy and project management process show successful project outcome while the companies that have mismatch alignment tend to show less successful project outcome.

Conceptual Framework

Hoshin kanri or policy development theory served as the conceptual framework for the study. Akao (1991) described hoshin kanri as a systematic approach integrating the daily activities with the strategic goals of an organization. Nicholas (2016) reported that hoshin kanri connects managers and employees by a systematic deployment process through vertical and horizontal communication, where the managers deploy and align set goals with organizational strategy and vision. Hoshin kanri has four proponents: (a) focused selection of organizational priorities, (b) the involvement of all employees, (c) the use of proven planning and improvement tools, and (d) the application of a rigorous review process (Su & Yang, 2015). As applied to this study, utilizing the proponents offered by hoshin kanri could provide a lens for participants (business leaders) to explain their alignment project strategies with business strategy to improve project performance. First, business leaders and senior managers focus on three key medium-term priorities based on the organization’s vision and long-term strategy. Second, alignment involves the effort of making everyone in the organization agree on the main goals. Third, implementation teams are empowered to manage action and schedule activities. Finally, senior management uses the review process to
understand the success and progress of the implementation teams. In this study, the policy development theory was appropriate and relevant for exploring alignment strategies project managers used to ensure project goals align with organizational strategic goals to improve project performance.

**Review of Relevant Literature**

**Project Management Processes**

Project management processes differ from project life cycle (PMI, 2013). Project life cycle is what a project manager needs to do the work whereas project management process refers to what is required to manage the projects (PMI, 2015). A project management process is a set of interrelated actions and activities performed to create a pre-specified product, service, or result (PMI, 2013). Stoshikj, Kryvinska, and Strauss (2014) analyzed complex project management processes and indicated that different companies need different software and management skills framework. Project managers required a management based on the principles of general management but adapted to the characteristics of the projects (Nistor & Muresan, 2012). According to Markeset, Moreno-Trejo, and Kumar (2013), decision makers must take into consideration the inspection, maintenance, and support services during project planning, implementation, and execution phases.

The five process groups and the 10 knowledge areas are the building blocks of every project management life cycle (Wysocki, 2014). A knowledge area is a complete set of concepts, terms, and activities that make up a professional field, project management field, or area of specialization (PMI, 2013). The 10 knowledge areas include (a) integration, (b) scope, (c) time, (d) cost, (e) quality, (f)
human resource, (g) procurement, (h) communication, (i) risk, and (j) stakeholder management (PMI, 2013). Project management processes are grouped into five categories known as project management process groups (or process groups) include initiating process group, planning process group, executing process group, monitoring and controlling process group, and closing process group (PMI, 2013; Wysocki, 2014). An initiating process group has the responsibility to define a new project or a new phase of the existing project by obtaining authorization to start the project or phase. The key elements in this process group are developing a project charter and identifying stakeholders (PMI, 2013). The project manager uses the project charter to request organizational resources for project activities (Brady & Davies, 2014; PMI, 2013). The project manager must understand the business profile because it serves as a guide for all other project management activities and ensures the project is worth the investment (PMI, 2013). The project charter consists of the following elements (a) project purpose or justification, (b) measurable project objectives, (c) assumptions and constraints, (d) high-level project description and boundaries, (e) high-level risks, (f) a summary of the schedule and budget, (g) assigned project manager, and (h) name of the person authorizing the project (PMI, 2015). A stakeholder refers to an individual or group who can influence the achievement of the company’s objectives (Eskerod & Vaagaasar, 2014). Stakeholders include the shareholders, customers, employees, communities near company operations, financiers, suppliers, and the public (Eskerod & Vaagaasar, 2014). Stakeholder involvement creates a shared understanding of the success criteria for the project (Nangoli, Ahimbisibwe,
Namagembe, & Bashir, 2013). Freeman (1984) developed the stakeholder theory. The stakeholder theory takes consideration of a wider group of constituents rather than focusing on shareholders (Strand & Freeman, 2015). The stakeholder theory states that the company is a separate organizational entity and different stakeholders connect in achieving a broad range of purposes (Eskerod & Vaagaasar, 2014). Strand and Freeman (2015) opined that shared interests of stakeholders are likely to produce better values for all parties concerned because it recognizes that stakeholder interests are joint. The stakeholder theory also focuses on managerial or strategic decision making and suggests that the benefit of all stakeholders have intrinsic value, and no sets of interests dominate others (Paul, 2015).

The planning process group refers to establishing the scope of the project, the objectives, and defining the actions and activities required to attain project objectives (Bronius, Bakinaite, & Meiliene, 2013; Stoshikj, Kryvinska, & Strauss, 2014). Once the sponsor approves the project, it moves from the initiating phase into detailed planning phase where the project manager and implementing team plan how to execute, monitor and control, and close the project. In this stage, project manager establishes project boundaries, identify the scope of works, and estimate project cost (Fulford, 2013). The project manager develops the project management plan and the project documents used to carry out the project (PMI, 2013). The project manager and team explore all aspects of the scope, time, cost, quality, communications, human resources, risks, procurements, and stakeholder engagement (Xu, Ming, Song, He, & Li, 2014)
PMI (2013) identified 47 project management processes grouped into ten knowledge areas. The planning process group has 24 project management processes out of the 47 identified by PMBOK, which indicates that planning phase is very crucial in the project management life cycle. In the planning phase, the project manager sets out the desired objectives of the project. The project manager and team should do project risk analysis when planning for the project execution. Thamhain (2013) stated that dealing effectively with risks in complex projects is difficult and requires management interventions in early project stages. Business leaders are detecting risks early in the project lifecycle and in decoupling risk factors from work processes before they affect project performance (Haji-Kazemi & Anderson, 2013; Senesi, Javernick-Will, & Molenaar, 2015). Some of the best success scenarios point to the critical importance of recognizing and dealing with risks early in project development (Thamhain, 2013). Arena, Azzone, Cagno, and Trucco (2014) proposed the spring model as a risk management system used in different levels of project-based organizations. Project managers use spring model in enterprise, project portfolio, functions, and project organization to identify and manage risks. In addition, Zeynalian, Trigunarsyahz, and Ronagh (2013) discussed the advanced programmatic risk analysis and management model (APRM) for risk management purposes.

Executing process group refers to the processes performed to complete the work defined in the planning phase to meet the project specifications. The project manager’s main objective is performance and team management (Stoshikj, Kryvinska, & Strauss, 2014). Organizations are
collections of people who work together and coordinate their actions to achieve a wide variety of goals or desired future outcomes (Kutsch, Browning, & Hall, 2014). A good manager should provide possibilities for the employees to coordinate and cooperate with the organization. The project manager has to plan, organize, lead, and control human resources to achieve organizational goals (Prause & Mujtaba, 2015). The implementation of construction engineering projects is challenging due to the size, complexity, financing, duration, and execution by many organizations (Deng & Smyth, 2013; Doloi, 2013). These projects need collaboration, coordination, cooperation, and management with key stakeholders (Fellows & Liu, 2012). Project managers must think out of the box on the management of the projects by putting more efforts to identify and mitigate conflicts promptly.

**Business Strategies in Project Management**

The concept of strategy is important when developing and aligning projects with a business mission (Garcia-Melon, Poveda-Bautista, & Valle, 2015). Alsudiri et al. (2013) defined the strategy of a corporation as a comprehensive plan of how the business managers will achieve organizational mission and objectives. Managers in organizations achieve superior performance when doing something no other business can duplicate, and strategy is all about how you are going to do better by being different (Soderlund & Muller, 2014). A business strategy should focus on how business leaders deal with competition by creating competitive advantages such as time to market, unique products, quality products, and minimizing competitive disadvantage. The three typical business strategies are (a) corporate, (b) business, and (c) functional
(Alsudiri et al., 2013). The corporate strategy refers to a company’s overall direction in term of general growth and the management of the various businesses and product line. Business strategy occurs at the business unit or product level, and managers of organizations emphasize improvement of the competitive position of the products or services of the corporation. The functional strategy is the approach taken by a functional area to achieve corporate and business unit objectives (Garcia-Melon, Poveda-Bautista, & Valle, 2015).

Examples of functional area include (a) project management, (b) research and development (R&D), (c) marketing, (d) production, and information system (IS). Junior, Lucato, Vanalle, and Jagoda (2014) stated that managers achieve a sustainable competitive advantage by reinforcing three types of generic strategies (a) cost leadership, (b) differentiation, and (c) best-cost. Business leaders and managers pursue cost leadership by being the lowest producers in the industry. Business leaders pursuing a differentiation strategy seek to position their organizations in the marketplace with distinct identity satisfying the desires of the customers such as fast time to market, superior quality and service, and innovative features (Johnson, Reckers, & Bartlett, 2014). The best-cost strategy is the combination of the cost leadership and differentiation when managers combine low-cost products and address customer values. Slack and Lewis (2011) explained that operations strategy has four different perspectives: (a) as a top-down reflection of the whole group in business wants to do, (b) as a bottom-up activity where operations improvements cumulatively build strategy, (c) involves translating market requirements into operations decisions, and
(d) in relation to exploiting the capabilities or operations resources in chosen markets.

Business leaders at incumbent firms increasingly recognize that to sustain growth and protect their companies from disruption; they must innovate beyond the familiar markets and competencies on which the company has built its existing business (Bertels, Koen, & Elsum, 2015). Using innovative core projects, project managers could target new customers or non-consumers in new markets, which could lead to high growth. Fulford (2013) conducted an inductive case studies on eight information system (IS) providers in Hong Kong, Australia, Europe, and the United States based on the importance of value-added resellers (VARs) alignment with organization strategic goals, and found out there is need to utilize the sales cycle process to promote customer-centered approach in project management

Liu, Tzeng, and Lee (2013) proposed the decision-making trial and evaluation laboratory (DEMATEL) and VIKOR (ViseKriterijumska Optimizacija I Kompromisno Resenje) models to help travel agencies use strategic planning as a means of gaining a competitive advantage in the cruise product sales in an increasingly uncertain, dynamic, and complex world. These models may be useful in project management and project performance. According to Mohamed and Jones (2014), the key elements of profitability are cost, assets, and revenue. The concept of strategic profitability management is a process of improving and maximizing profitability by effectively managing the main drivers of profitability through the use of some strategic management accounting techniques that combine the three drivers together (Mohamed & Jones). In the final analysis, strategic profitability management should
serve project managers well in attaining improved project performance.

**The Study**

The overarching research question for the study was: What strategies do project managers use to align project management processes with business strategies to improve project performance? Participants responded to the following interview questions:

1. What strategies do you use to ensure alignment between project management processes and business strategies?
2. What critical success factors do you consider when aligning projects management processes with business strategies?
3. What strategies do you use to develop projects aligning with business strategy?
4. What strategies do you use to implement projects ensuring alignment with business strategy?
5. What strategies do you use to monitor and control projects ensuring alignment with business strategy?
6. How were the challenges to developing, implementing, and monitoring the processes for aligning business strategies with project practices addressed?
7. What project management tools did you use to improve projects alignment with business strategy?
8. What project management tools did you find worked best to improve project performance?
9. How does the project manager or project team affect the project success?
10. How did your project team respond to the strategies for aligning business strategies with project processes for improving project performance?

11. Please share any additional information how you align project management processes with business strategies to improve project performance?

Eight participants were selected using a purposeful sampling technique for the study based on the following eligibility criteria: (a) successfully aligned project management processes and strategies with company’s business strategies and objectives, (b) serving as senior project manager, (c) serving as the program or portfolio manager, (d) serving as functional manager, and (e) worked in South Sudan a minimum of three years in telecommunication companies. Data collected were analyzed using NVivo software. The results were as presented below.

**Results.**

The following were the results of the data analysis.

**Effective Communication Among Project Stakeholders Enhanced Project Success.**

One key finding from the study was that project managers should use effective communication to align project management processes with business strategy to improve project performance. Corporate leaders should establish effective communication between their customers, suppliers, employees, and host government for business sustainability (Aarseth, Aholo, Aaltonen, Okland, & Bjorn, 2017; Strand & Freeman, 2015). According to Oppong et al. (2017), effective communication is
an essential internal factor that influences project performance and project managers’ choice of a given practice, technique, or tool. Quik, Wright, and Herjanto (2013) posited that CNL software system assists learners and experts to communicate within a contextual framework to resolve problems and to improve product or process knowledge. Through this study, business leaders and managers must use effective communication among project stakeholders to improve project performance.

**Stakeholder Engagement in Project Management Processes**

Participants indicated that project managers need to engage stakeholders to align project management processes with business strategies to improve project performance. Stakeholders should be engaged during the development, implementation, monitoring, and controlling phases of a project. Several project managers highlighted the importance to consider the cooperation of stakeholders to mitigate risks during the project management groups (Martens & Carvalho, 2017; Yu et al., 2017). The participants’ responses echoed the study of Aarseth et al. (2017), who identified management of stakeholder as a good business strategy for aligning project management processes with business strategies. By engaging stakeholders in project management, project managers create a shared understanding of the success criteria for the project (Aarseth et al., 2017; Oppong et al., 2017).

**Competence of Project Manager in Leadership Decision-Making Process**

The competence of project managers in leadership decision making process was another finding of the study. Participants
recognized the significance of having competent project managers for effective monitoring and reporting of project implementation to align project management processes with business strategies. The participants indicated the importance of having leadership skill and explained how the skill contributed to the alignment of project management processes with business strategy. Chang (2013) proposed the use of incentives to motivate contractors to reduce the risk of projects failing to meet cost budget. The consequences of misalignment of project management processes and business strategies are the divisive and costly litigation between customers and contractors (McAdam, Hazlett, & Galbraith, 2013). According to Oppong et al. (2017), project stakeholders are hard to manage specifically in the construction sector. Project managers lack well-functioning strategies, plans, methods, or processes that engage project stakeholders (Oppong et al., 2017). If the PM team is not managing the vendors and contractors properly, they will damage the company’s reputation since they provide the telecommunication equipment, construct the infrastructure, and do most of the telecommunication work (Alusdiri et al., 2013). Vendors who are unprofessional regarding project management and expertise will not contribute positively to the company’s business strategies (Alusdiri et al., 2013). The project managers’ leadership decisions using the soft skills are important in the alignment of the project with business strategies and help to link the project with the company’s business plans or their competitive advantages (Engelbrecht, Johnston, & Hooper, 2017). As applied to this study, all participants’ responses echoed Engelbrecht, Johnston, and Hooper (2017) statement on the competence of project manager to the alignment of project
management processes with business strategies.

**Executive Commitment and Support to Project Team**

Another finding of the study was that executive commitment and support to project team improved project performance. Business executives’ support in strategically executing project alignment with business long-term goal is crucial in improving project performance. Participants acknowledged that corporate executive commitment was critical to their ability to overcome some of their challenges involving financing, political, environmental, government legislation, skilled work force, and electricity supply. Corporate executives should involve project managers in strategy development because (a) understanding the business strategy, project managers could influence the implementation of the business strategy positively, (b) adding practical inputs and feedback to the strategy, and (c) involving the project manager in the strategy development helps to build an effective work environment (Alsudiri et al., 2013; Silvius et al., 2017). Company executives affect the implementation of the business strategy because they are the sponsors of projects and have the power to enhance the project management processes (Alsudiri et al., 2013). According to van der Hoorn and Whitty (2017), executives reconcile different views amongst the project team and with stakeholders to enable project delivery for business sustainability. Silvius et al. (2017) posited that corporate executives under present sustainable principles in the decision-making processes compared to the triple constraint of time, cost, and quality. All the participants’ agreed that business executives with corporate
strategy people have the advantage to study and prepare for the telecommunication market trend and the evolving technologies. Executive commitment to projects plays a vital role in the realization of more sustainable business practices. Applied in this study, all participants attested to use executive commitment to align project management processes with business strategies for business sustainability.

Conclusion

The misalignment of the project management processes with business strategies results in project delays and cost overruns. Some project managers in the telecommunication companies lack strategies for aligning project management processes with business strategies to improve project performance. Although there are studies conducted on project alignment (Engelbrecht, Johnston, & Hooper, 2017; van der Hoorn & Whitty, 2017), researchers have limited knowledge about why project misalignment occurs with repercussions of cost overruns and project delays. Few researchers have focused on alignment of project management processes with business strategies to improve project performance through the theoretical lens of HK. Four themes emerged from thematic analysis of data indicating strategies telecommunication project managers in South Sudan use to align project management processes with business strategies to improve project performance. The themes are: (a) effective communication among project stakeholders, (b) stakeholder engagement in project management processes, (c) competence of project manager in leadership decisions, and (d) executive commitment and support to project team. The findings of the study may assist project managers to plan, execute,
monitor and control, and strategically close the project. The findings of the study may lead to proper project alignment and successful project outcome, which may assist business leaders and managers in the telecommunication companies in responding to opportunities in highly competitive markets. The use of HK tenets of focus, alignment, implementation, and review in analyzing the two case studies involving telecommunication companies may fill a gap in the literature. The findings support the conclusions by other scholars on the importance and benefits of aligning project management processes with business strategies. Some of the benefits include increased revenue, lowered costs, reduced project completion times, and increased project quality.

References


