



Project Management Capability in Organisations

CIO Survey - 2000 Summary of Results

In the last half of 2000, Project Managers Network Pty Ltd conducted a survey of readers of CIO magazine to assess the readers' views on project management capability within their organisation. This paper provides a summary of our results for clients and participants.

For further information about this and other research conducted by Project Managers Network, please contact us via our web page www.pmnetwork.com.au or by email on enquiries@pmnetwork.com.au

Summary and Analysis of the responses.

Introduction

The survey was broken into three sections. These dealt with:

- A. Positioning questions about the organisation
- B. Questions about respondents view of the organisation's attitudes towards Project Management
- C. Respondents position

The overall number of responses at 54 was not a high as desired. Around 8,000 survey forms were circulated to readers of CIO magazine in NSW and Victoria, and it was expected that the response rate would be over 2%.

A. Positioning questions about the organisation

There was a distinct bias in the organisations represented with 40/54 being in IT, which reflected our primary sources, namely CIO Magazine and our own company's network of professional contacts. The questions in this section primarily sought project and organisational information.

Project size - the dominant response was mid range, which we defined as projects with a budget less than \$10 million or with a duration less than 2 years. This response is consistent with the typical size of IT related projects.

Organisation size was mostly small which was defined as up to 1,000 staff. This result appears a little odd since we know several organisations which participated and they are not small. The response may be due to wording of the question not being clear so that the

"organisation" was assumed to be the organisation unit rather than the total organisation as intended.

The Departmental function – respondents almost all indicated their departmental function was Services related ie. Our respondents were not the groups who face the customer - rather they represented groups usually responsible for projects.

B. Questions about respondents view of the organisation's attitudes towards Project Management

How the organisation views Project Management

Twenty-two (22) respondents saw it as impacting bottom line, whilst the same number (22) saw Project Management as a very important tool for meeting time and budget.

Maybe there are some possible implications with this second response that it would also ultimately impact the bottom line. The problem is that we have difficulties making a direct connection between Project Management and the bottom-line, even though we may intuitively believe, it and this fact may influence some responses. However, it is worth noting in conjunction with this that 81 % saw Project Management as important to financial success in one way or another.

Strategy for improving Project Management

Twenty (20) respondents said they had a well thought out plan, however 10 indicated they were spending money but it was not effective, and 17 noted that their organisation talked about it but not a lot of action occurred.

This means 50% of respondents are not doing anything really effective about improving Project Management in their organisation.

As a result of this, we separately analysed the 20 who had well thought out plans to see if they demonstrated any significant differences in approach. For results see below under "Selected Group Results".

Action to improve Project Management in the organisation

If we combine the responses with priority 1 and 2 ratings we can see the most common trends which are:

- Learning from past experience 20%
- Project Management training 24%
- Standards practices 36%
- PM selection and development 13%
- other 7%

Only 13% nominated selection and development of Project Managers, a result which is consistent with our own experience of organisations. Project Management is still not commonly viewed as a career of value to the organisation.

Project Management Standards and practices scores the highest in this group of responses and this is to be expected, as it is the most obvious and typical place to focus attention when experiencing problems with projects.

Who in organisation has responsibility for improving Project Management?

The largest number of responses nominated the Project Office, which you would expect where these exist, but the Business Unit Manager also rated not far behind.

If you add ratings 1 and 2 together Business Unit Managers come out of top at 41%. However 11% indicated that no-one in the organisation had responsibility for this activity of improving Project Management.

Given that most Departmental functions (see section A above) were service units, the Business Unit Manager referred to in this response is most likely to be a Service Unit Manager not a Business Unit Manager facing the customer.

How to get a higher priority for Project Management in the organisation?

If we combine ratings 1 and 2 we get this percentage split:

- Link between Project Management and bottom line 31%
- Link between Project Management and success 29%
- Senior management champion 12%
- Organisation maturity comparison ratings 18%
- other 9%

Seven responses noted that Project Management already had a high rating in the organisation (included in "other" in the table above).

In order to get more attention for Project Management in the organisation we are back to demonstrating a link to bottom line, as noted not easy to do, or linking Project Management more directly to Project success. This last result is interesting since it appears obvious but other factors (organisation culture, norms) influence project results. Very good Project Management can however to some extent help to mitigate the influence of these factors.

Of interest in the above is that 18% of respondents saw "benchmarking" (that is, organisation maturity comparison ratings) as a useful tool. In our experience, however, it is rarely practiced.

Selected Group results

The 20 respondents who indicated they had a well thought out improvement plan were analysed separately, giving the following results:

- Respondents had a similar profile to general population - medium sized projects, and small organisations
- Views on PM (question B2) - slight difference with more emphasis on project time/cost performance rather than on bottom-line impact

- who is responsible for PM (question B4) - Project Management Office comes out higher than Business Unit managers at 44% against 32%
- still 5% say no-one in particular is responsible

In all not a lot of difference other than for who has responsibility for Project Management.

Respondents position

The majority (41/53) of the respondents occupied the role of a Business Unit Manager, Senior Corporate Manager or Service Unit Manager. These are people who we believe could provide an accurate assessment of the organisations capability in Project Management.

General comments:

The size of the survey and its sample bias towards IT projects means it is difficult to draw definitive conclusions. However, some overall conclusions can still be drawn.

We believe these are:

- Project Management is seen as key to financial success, either because it impacts project performance or directly on the bottom-line
- Despite all the talk about it, 55% of organisation are not taking any effective action to improve Project Management despite the obvious connection to financial success. It would be instructive to know why.
- The main activities directed towards improving project management are:
 - standard project management practices
 - PM training
 - learning from past experience
- Responsibility for improving Project Management rests almost equally with either Project Office or Business Unit Managers, but for a small group no-one has responsibility. It would be interesting to know whether the location of responsibility makes any difference to the outcomes.
- The key ways to get a higher priority for Project Management in the organisation are to demonstrate a link to bottom-line, or show how it impacts directly on project success. For 9% of respondents PM already had a high priority.

An overall impression obtained from this survey is that senior management buy-in to a serious commitment to Project Management is not easy to achieve. Such commitment will take time and resources and the results are not easy to prove.

While we intuitively believe improved Project Management will enhance performance, obtaining direct evidence of this is harder to achieve. While some organisations are attempting this many others appear to still have some way to go on the journey.