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Importance of Strategic Aspect in Project Management: A Literature Critique

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Abstract— **The objective of this paper is to provide some critical arguments about project success with a little emphasis on project stakeholders. One of the major findings of this paper is that project can never be successful until and unless it manages to align with its strategic objectives. Moreover project stakeholder's perception of project success needs to be taken into account while measuring project success. An attempt has been made to relate project success with different stakeholders and their different perception of project success which will help project managers to get a better understanding.**

Keywords— *Project management, Strategic management, Project success, Project stakeholder, Competitive advantage*

1.   Introduction

The concept of project success has been able to capture a lot of attention by scholars in their academic writings over the last few years [1]. Many have tried to define this concept of project success and thus the definition has evolved over time [2]. Although project success can be defined in terms of effectiveness and efficiency of project but it will not make the perfect definition. The concept of project success is very vast from project management's point of view. A project can be called successful if it meets the requirements given by these three factors: time, cost and quality. These three factors all together are called "iron triangle" [1]. Still there are some doubts about the "iron triangle" as many projects have successfully completed the requirements given by these success factors, eventually failed to achieve project success. On the other hand those projects which did not meet the time conformance or didn't able to deliver project within given budget, considered successful. There are some projects which were considered to be successful at the time of initiation ended up with big disappointment and projects that everyone

thought would be disaster ended up successfully. There are some differences between the concept of project success and project management success [3]. In order to define project success more convincingly we need to add one more factor to the iron triangle which is customer satisfaction. One needs to consider strategic objectives of clients to ensure the success of projects which includes the group of people who have launched the project as well as other stakeholders. These stakeholders who are obviously the end users of the project need to be satisfied through the outcome of the project. Thus it doesn't matter if the project meets the requirement set by 'iron triangle' until and unless it satisfies the stakeholder of the project. In order to make project success one needs to identify the success criteria and need to agree with the stakeholders on those proposed criteria. Due to the nature and complexity of different projects it can be very difficult to define the success criteria.

2.   Literature Review

In order to make project successful, competitive advantage should be gained by projects and to gain competitive advantage organization needs to define its strategic objectives. Project management concept was first utilized in China Mainland funded by World Bank [4]. Project management is such a type of management which is often used to bring out competitive advantages for many organizations. Many scholars have identified project management as a key business process. Every organization is giving more focus on project management to gain their business objectives. Many of these projects have been able to see the light of success whereas others did not able to make it there. The reason behind the failure of those projects may lie beneath the misalignment between project management and business strategy. There are many projects which have been launched without setting any link to the strategic objectives of the organization. Srivannaboon & Milosevic [5]

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mentioned about the usefulness of project to achieve competitive advantage. But in some organization it may be difficult for some projects to focus on business strategy. It will be easier for project manager to implement business strategy if he gives an effort to align organizational strategy with project management. Obviously top management are the one who should be responsible for planning of business, portfolio management and giving priority to different projects whereas project manager should execute their projects with proper planning. If these two processes are aligned then there could be potential for project success. But in most of the cases projects are terminated because of misalignment between business strategy and project management. It is obvious that there is a missing link between these two entities. Other than the commitment of board of directors involvement is required from project manager in the development process of strategy. Communication can be a major factor that can help to bring these two entities together. Reciprocating communication would be more appropriate for enhancing strategy integration into project management. On the other hand it will all go in vein if there is no support from decision makers as commitment is very important for integrating organizational strategy within project. Top management should also consider offering a role for project manager in strategy formulation process. There has to be a process to interpret corporate strategy into project strategy. By involving project manager in strategy formulation process project team will be well aware of the ultimate goals and thus their performance will better than ever.

3.   Research Methodology

In order to explore the concept of project success one needs to get familiar with the research topic and undergo intense studies. To review literature the most popular method was obtained which is widely known as systematic review method. Using Heriot-Watt University's online library, Emerald Insight, Taylor & Francis online database, Scopus and Science Direct, the author extracted valuable information to produce the literature review part of the thesis. Various books related to project management have been exploited to get valuable insights and organize the whole paper. Few key words were selected based on the main research topic of this paper. These are "project success",

"strategic management" and "project stakeholders". These key words have been inserted into the search engine of some reputed databases of scientific research paper and a thorough search was conducted based on those words. All the research papers were strictly scrutinized based on their research title, abstract and key words within the paper, which came out after the execution of search.

4.   Discussion

4.1   Aligning projects with strategy

One of the many reason for bringing alignment between projects and business strategy is to extract new and creative strategies which will gain competitive advantage. To gain competitive advantage projects are often utilized as a tool by organizations. Therefore it is important to make sure that projects are running in line with the business strategy [5]. This alignment also helps top management to select the suitable project for their purpose. This alignment may be challenging and troublesome. Misalignment between strategy and project may be the reason for losing opportunities for gaining more markets. Strategic project management can give vital information on status of different projects by which top management can recognize the importance of those who have high potential to bring success and on those which does not give value to strategic objectives of the company [6]. Thus it will be easier for them to get rid of those unwanted projects and give more focus on those which will cash in competitive advantage. Every functional department has been placed in line with the business strategy. Like other department project management is also considered as function of the organization. Thus it also needs to be in line with the organizational strategy. Selecting a project doesn't mean that one has done with the alignment process, there are much more discovery to be done. There are a lot of challenges to face in making project in line with business strategy. One of the most critical challenges is to encourage project members to come up with creative thoughts and rewrite organizational strategy.

4.2   Project success

Many scholars have mentioned that stakeholders may have different point of view of project success

[7]. Different stakeholder's judge project success based on different success factors. Although many public projects completed fulfilling requirements of 'iron triangle' but in the end it was considered as a failure by the public itself. The definition of stakeholders is very complex. This complexity of defining stakeholder created a barrier from the stakeholder's. Kerzner [8] mentioned about critical success factor which focused more on stakeholder's perception on project success. In order to do so top management must devote themselves to the project and an appropriate project manager must be selected for successful completion of the project. Also many projects have been handled from operational perspective, not from strategic perspective [2]. This indicates that all projects must be carefully handled from all possible perspective. Project success may depend on different stakeholder's perception and it also may depend on the time of it was measured [9]. In recent time project managers are giving more focus on stakeholder as their view on project success has very strong impact on overall project performance. The focus on stakeholder is growing day by day as there are two entities within the project: owner and sponsor. There can be two types of roles for sponsor: one is to make good observation on project from client's point of view and second is give handful of support to project manager along with team members [10]. To make a successful project it is very important that owner get involved very strongly with the project. It is very usual to see a project ended up as a failure when their owner keeps distance from the activity of his project. It is the responsibility of the owner to make sure that the project is capable of delivering organizational strategies. Thus owner is directly interfering with the process of gaining project success. Besides owner it is also very important to get the insight of different departments within the organization regarding project success. As there can be many success criteria, stakeholders must agree upon those criteria before starting the project. Also project owner must coordinate a relationship between him and project manager. The process of evaluating project success was defined without considering project stakeholders [11]. Thus there might an element of risk to evaluate the project in a wrong way and thus creating disastrous situation. It is very much needed to get the actual perception of all stakeholders throughout the life cycle of project to ensure smooth operation.

4.3   Stakeholders & project success

As a stakeholder project manager's perception of project success is usually the 'iron triangle': time, cost and quality. That means project manager sees a successful project as a project which can be finished within time frame, has satisfied all quality conformance and didn't exceed budget parameter. The client and end user perceived project success as satisfaction and communication. Customers are considered as very critical for project success, specially their integration with the project [12]. These two factors can make a project successful from their point of view. If the project is able to satisfy customers by allowing them full utilization of the outcome they will for sure consider this as a successful project. Project team on the other hand perceived project success as the process of collaboration. The whole process of collaboration should be very fruitful. Owner often misunderstood the concept of collaboration as communication. Also there has to be clear message of mission for project members. They also have perception as completion of the project. Senior management's have their own perception of project success. They have focused on identification of business strategy as their way to project success [2]. Top management also focused on commitment, involvement, increasing efficiency, developing reputation and an appropriate project manager for their project. Many have mentioned support from top management is one of the critical factors for success, but the fact is process for gaining support from top management has not been cleared yet. There may be five common group of stakeholder: owner, project team, user, project manager and client. According to the identified success factors client and user has more similarity in them. Furthermore behavior of internal stakeholders can immensely affect the project success [13].

5.   Conclusion

More research work is needed to identify possible group of stakeholders and more exploration should be made to extract information on the perception of stakeholders. It will be better to come up with more improved method to measure the perception of stakeholders for project success. A framework should be gained to identify all major stakeholder groups for the sake of better team work and increased productivity [14]. From the beginning stage of project to the completion of the project one

needs to focus on strategic aspects of the organization. Obviously finishing the project with perfection is definitely a positive sign for the organization. In most cases, perfection means meeting requirement of the 'iron triangle'. But this perfection doesn't mean the main objectives were served. In other words meeting time, cost and quality do not make project successful. Till today projects are still following conventional operational strategy although they have realized the importance of project strategy. Strategic focus is the only key to the client satisfaction, overall success and prospect for future. To make it really successful top management must need to realize the importance of stakeholder. The support from top management is very vital to gain project success (Young and Poon 2012, p.943). As a part of the stakeholder top management needs to identify the groups within stakeholder and involve these stakeholders with the project. Thus project will be advanced towards success making benefits for each and every stakeholder.

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