Critical evaluation of project-based performance management: Change intervention integration

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Abstract

This research evaluates project-based management in the context of interventions to initiate improved organisation performance. The work draws on literature from project management, change management and performance management. Results identify the interrelated aspects of project management, change management, and performance management. Conclusions indicate that improved organizational performance and increased productivity would be achieved by adopting an integrative approach to project-based interventions.

Keywords: project-based management; change management; performance management
1.0 Introduction

The successful management of change is crucial for any organization. Projects by their application produce change. Project-based management, used to initiate an organizational change, is a temporary undertaking to achieve a specified outcome that requires commitment of varied skills and resources (Stuckenbruck, 1981). To achieve successful outcomes in an organizational setting, a project must build capability to achieve an improved outcome. This process requires an organization to change from one state of working to another. Change management is a planned process of transitioning from one state to another through a sequence of steps with a focus on generating the acceptance and commitment of individuals undergoing the change (Argyris, 1993; Jones, 1995; Melbourne, 2003). The similarity between project-based management and change management is apparent when each purpose is contrasted: project-based management focuses extensively on tasks and outputs; change management emphasizes people and outcomes.

The boundary objective and conceptual framework adopted as the development of this research, was drawn from appropriate literatures to answer the following high-level question: *Would the integration of project-based management techniques and change management concepts benefit interventions to improve organisation performance?*

Drawing upon the literature, the paper addresses the benefits and issues associated with integrating both methodologies: project management and change management. We first review the concepts of project-based management and change management. Next, the phases of project management are compared and contrasted with several change management models to understand the similarities and to provide a discussion of the merits, or otherwise, of integration. We conclude by providing recommendations for further research.
2.0.  A closer look at project management

The use of project-based management as a discipline and as a generic skill has been widely espoused (Partington, 1996); and has certainly been adopted by the consultancy industry to initiate change programmes (McElroy, 1996). It is, however, not a solution to every change intervention facing organisations. Only when used under appropriate circumstances can this approach be effective (Partington, 1996). One of the areas its effectiveness is challenged is in the implementation of organisational change to bring about improved productivity and performance (Winch et al, 2012). In the implementation of organisational change, it is arguable whether project-based management provides the most effective tools and techniques. An appropriate proposition for testing is therefore:

\[ P_1 \text{ Project-based management’s inherent incremental progression to achieve its outcome is well suited to change interventions.} \]

Continuous improvement and organisational change might be considered inseparable axioms; and which have neither a beginning nor end (Winch et al, 2012). Projects, however, have pre-defined beginnings and outcomes, are temporary, and teams will invariably be dismantled upon its completion (Parker & Craig, 2008). While project-based management ensures that initiatives are coordinated, assists management in providing control, provides for risk identification, and resource planning and controls, it is not necessarily effective at dealing with “soft issues” (McElroy, 1996). When there is change associated with capital intensive outcomes, for instance with implementing a new information technology (IT) system, there is greater evidence of success; and arguably greater benefit in the integration of change
management and project-based management (Partington, 1996). This leads to the opportunity to test the proposition:

\[P_2 \text{ Project-based management is better suited to interventions that are capital intensive initiatives.}\]

Project-based management is best described in the context of the knowledge, vocabulary, processes tools and techniques of the Project Management Book of Knowledge (PMBoK) (PMI, 2008). The adoption of PMBoK is based on the use of five process groups that incorporate nine knowledge areas that support the successful implementation or production of a service, product or outcome. The process groups for each stage of the project life cycle include initiating, planning, executing, monitoring and controlling and closing (Ganon, 1994). The knowledge areas that they incorporate include integration, scope, time, cost, quality, human resource management, communications, risk management and procurement. Of these, four of the knowledge areas (scope, schedule, cost and procurement) lend themselves easily to delivering outputs that are specific and measurable, otherwise known as hard elements. The remaining elements (risk, quality, integration, communications and human resources) are directly related to people within an organisation or project environment. It is these soft elements which closely align with change management; and where project management and change management overlap. Consequently, a proposition requiring further testing is:

\[P_3 \text{ Soft knowledge elements in project-based management are well suited to interventions that involve change for people.}\]
3.0. Change management

Organisational change is described as those activities that interact within a competitive environment to achieve organisational goals and strategic objectives (Brown & Eisenhardt, 1998); and can include changes to organisational structure (Child, 1997) and culture (Schein, 1985). These activities impact on people in the organisation, their job roles and work-related behaviours (Porras & Silvers, 1991). Inevitably, the process that includes the creation and execution of this plan is often referred to as change management. There is an extensive body of knowledge in change management; but little research has been carried out on the use of project-based management to plan, initiate and deliver the change intervention.

For the purposes of this research we will define change management as a process used by project-based teams to manage the people (stakeholders) associated with the process, any capital investment, structural and other organisational changes (Prosci, 2008). Change management also requires a number of competencies that enable managers to support people transition from one state to another - such as leadership and communication (Stewart & Kringas, 2003; Prosci, 2008). Since project-based management has been described as transforming the organisation from one state to another, it seems the two fields share the same goal. However, they have different approaches to achieving this.

It is proffered that this goal can be achieved more effectively when project-based management and change management are integrated. Prosci’s (2008) Project Change Model (PCM) model depicts the interrelation between project management, change management and leadership, and describes each of these as essential elements that all need to exist to complement each other for successful transformation.
Prosci (2008) argues that the first step in managing any type of organizational change is accomplished by understanding how to manage change with a single individual. Prosci's model of individual change is called ADKAR - an acronym for Awareness, Desire, Knowledge, Ability and Reinforcement. In essence, to make a change successfully an individual needs:

- Awareness of the need for change
- Desire to participate and support the change
- Knowledge on how to change
- Ability to implement required skills and behaviours
- Reinforcement to sustain the change

Whilst ADKAR describes successful change at the individual level, when an organization undertakes an initiative, that change only happens when the employees who have to do their jobs differently can say with confidence, "I have the Awareness, Desire, Knowledge, Ability and Reinforcement to make this change happen."

Because it outlines the goals or outcomes of successful change, ADKAR is a tool for:

- Planning change management activities
- Diagnosing gaps
- Developing corrective actions
- Supporting managers and supervisors

### 4.0. Demarcation between change management and project-based management

The interrelatedness of project-based management processes and change management is made here by comparing and contrasting how the process groups described in PMBoK (PMI,
2008) relate to the various steps of change management (for example see Kotter, 2007. In this context the PMBoK (PMI, 2008) process groups are utilized as a methodology for showing the project life cycle.

4.1. Project Initiation

Project initiation refers to activities focused on ensuring realistic business needs will be achieved and identifies the stakeholders that will influence the success of the project (PMI, 2008). The PMBOK further states that it is beneficial to involve stakeholders from the very start as it improves the probability of shared ownership, acceptance and satisfaction which, in turn, enhances the success of the project. This greatly overlaps with popular change management principles that identify the need for establishing a sense of urgency (Kotter, 2007). This consists of examining the competitive and market forces prevalent for the industry within which the organisation is operating, similar to Pettigrew’s (1987) “Context” stage of his organisational change model. Kotter (2007) also describes it as including the identification and discussion of crises, potential crises and/or major opportunities. Clearly there is a relational link between organisation strategy and projects by linking them through Project-based Programs, as described by McElroy (1996). Programs can act as a bridge between strategy and projects, providing a framework for structuring and managing organisational change and increasing the likelihood of successful implementation (McElroy, 1996). Forming a powerful guiding coalition is substantially stakeholders with enough influence to lead the change required (Kotter, 2007). Arguably, this is similar to the project management initiating stage (PMI, 2008) where a key output is to identify influential stakeholders.

From a process perspective, change management entails identifying stakeholders, their level of uncertainty and building appropriate activities in the project plan to mitigate risks at each
phase of the project (Bryson, 2004). To assist with identifying and mapping stakeholders, a
general approach is to define stakeholders based on their level of influence and impact on the
project: the value versus impact matrix (Bryson, 2004).

Stakeholders can be identified into four groups (Bryson, 2004): (1) those that collaborate and
who have a significant interest and influence; (2) those that should be kept informed and who
have a low level of influence; but may be highly impacted by the change, (3) others that
should be monitored and be responded to and who have minimal influence and may be
marginally impacted; and (4) those needing to maintain confidence and who have significant
influence but may be slightly impacted by the change. Each group describes a set of
characteristics in relation to the types of risks, the level of management, engagement
strategies, and the level of information needed to influence outcomes. Ultimately, the role of
stakeholder analysis is identifying any issues that each stakeholder group might pose in
relation to the project.

Nutt (2002) conducted analysis of over four hundred projects to determine the cause of
projects failure, and concluded that half of the failed decisions in projects were due to a lack
of engagement with stakeholders who had a vested interest in the outcome. Ward and
Chapman (2008) confirmed that stakeholders represent a significant degree of uncertainty in
projects due to their influence and actions.

Creating a vision (Kotter, 2007) is formation of the content of change and the strategies for
achieving them – akin to Pettigrew’s (1987) content phase. Within project-based
management, such information would be encompassed in the development of the Project
Charter - the document that records the business requirements and the statement of work.
4.2. Project planning

PMBOK (PMI, 2008) describes planning as those processes performed to establish the total scope of the project, define and refine the purpose, and develop the course of action required to meet the project objectives. The activities in the planning stage include: developing the project plan, developing scope requirements, creating the work breakdown structure, developing the schedule and required activities, developing budgets and costs, planning for quality, the human resources plan, communications plans, risk management and procurement.

Kotter’s (2007) third step “Creating a vision” might be considered as aligning with this stage of the project management life cycle. However, Kotter’s (2007) model is far less detailed in the steps and activities undertaken project management; as described in PMBOK (PMI, 2008). There is, however, a strong similarity with Pettigrew’s (1987) “Process” phase which addresses the “how” of change in terms of both the overt managerial initiatives taken to push the content forward (see for example Winch et al., 2012). The planning phase described in PMBoK (PMI, 2008) has far greater detail of the processes and techniques in planning compared to both Pettigrew’s (1987) and Kotter’s (2007) change management models. These models do not describe the same level of rigour, structure and succinctness that this stage of the PMBoK life cycle is able to offer the project manager.

One of the benefits that many change management models provide project management during the planning stage is that they address emergent change issues. Project management activities are one dimensional; following a consecutive linear pattern. Change management is multi-dimensional in terms of planned activities and, importantly, emergent activities (Aljaz, 2010).
Within the project management discipline, planned activities refer to discrete boundaries that encompass linear phases and discreet activities undertaken with each project phase. Emergent change describes the necessity of activities that occur *ad hoc* in order to manage uncertainty generated by stakeholders. For change to be accepted effectively, project management planning needs to account for greater numbers of emergent activities – and which may not fit within the timeframes of a project phase (Aljaz, 2010). Change management models have frameworks to manage internal project change that focus on the people and transitional change aspects (Aljaz, 2010). As much as a project looks to change a particular function or process of an organisation, the project itself is dynamic and the project team continually face internal change.

4.3. Executing a project

It is extensively argued that (see as an example Smith, 1999), a project invariably fails or succeeds during the execution of the plan. From a PMBoK (PMI, 2008) perspective, executing a project is characterised by the implementation of activities and measurement of progress as identified in the planning phase in order to meet the strategic objectives and goals of the project. In change management literature this is referred to as the implementation phase and it describes the process whereby the majority of stakeholders are confronted with tangible changes.

There is an alignment between project management activities and, for example, Kotter’s (1996) description of change activities that involve communicating the vision (fourth step), empowering a select group of stakeholders to commence change (fifth step) and creating short term positive changes (sixth step). In contrast, the project is reliant on change control activities to re-affirm the scope and objectives; while change management advocates, communicate these changes to the stakeholders and manage behavioural risks.
The benefit of acknowledging the strengths of change management is that it provides the ability to identify risks associated with stakeholder behavioural changes as a result of transitioning through the changes. It is within this phase that empowering others to execute the change is critical as stakeholder disengagement or resistance could impede the project’s success. It is at this stage that project-based leadership and change management principles are vital to increase the likelihood of the intervention’s success and reduce resistance. The term resistance refers to stakeholders’ opposing a change even when a range of benefits exist and it serves the best interests of all (Bartol et al 2003). Resistance may be due to self-interest, misunderstanding, lack of trust, different assessments of the benefits arising from the change, and fear of their ability to cope with change and adapt to new situations in the workplace (Kotter and Schlesinger, 1979). Methods to reduce resistance include education, communication, participation, facilitation, and support (Kotter and Schlesinger, 1979).

4.4 Monitoring and Controlling

In a project-based environment, monitoring and controlling consists of processes to track and review the project’s progress and performance when measured against initial planning specification (PMI, 2008). These processes enable project managers to measure performance, identify areas that require changes (when compared with the original project plan) and initiate corrective action. Monitoring and controlling is a regular and consistent set of activities that review specific project related knowledge areas and competencies.

In addition to monitoring the efficiency and effectiveness of project-based initiatives, evaluation of progress may further enhance opportunities for change-improvements, as it may highlight potential risks and impediments to success. Moreover, it invokes the need for a sense of urgency (Partickson et al, 1995). Evaluation also facilitates organisational learning and can motivate people to participate in future initiatives (Doyle et al, 2000).
The importance of ongoing evaluation is also emphasised in the field of change management. Within Kotter’s (1996) principles of change, evaluation data may reveal successes, short-term wins and encourage celebration of these to provide further motivation to all stakeholders.

Monitoring and controlling has been defined in the field of change management as procedures that systematically collect information relating to planned change activities that alter organisational processes (Snyder et al, 1980). In contrast, within a project-based environment, recognition of resistance to change and similar emotive situations has not been duly recognised for their importance to outcomes (Parker and Craig, 2008; Easterby-Smith, 1994).

A lack of sufficient rigour and competency assessment in the project management discipline with regard to performance management issues, has led to researchers challenging aspects of this type of evaluation (Goodman & Rousseau, 2004). The Snyder Model (Dick, 1997) aims to improve performance awareness using rigour achieved through a participative and systematic approach. In fact, this model may be an effective project management tool as it incorporates process and outcome evaluation thereby focusing on assessing the achievements of the project as well as the supporting change management processes.

### 4.5. Project closure

During the final stages of a project – closure - important activities include obtaining acceptance by the client or stakeholders, reviewing the handover of the project, recording project impacts and documenting lessons learned. The key objective of this cycle is to formally complete the project ensuring all process groups and project phases are complete (PMI, 2008). While project management focuses the efforts of the project manager on tasks,
such as, documentation and contractual obligations at project closure, arguably there is little recognition of change management issues.

Bridges (1991) provides a three stage process model that focuses specifically on the end of a project or change initiative. He terms this as “Beginnings” rather than an ending. The reason for this is because by the end of a project, a change would have already been introduced into an organisation and so the organisation is at a new beginning for this particular change. The important aspect of this stage of change is that the new beginning reinforces new behaviours, celebrating the successes, and symbolising the change in the workplace. Other popular change theorists have also emphasised the importance of this stage and have aptly named this stage “maintenance” (Prochaska & DiClemente, 1983) and “reinforcement” (Prosci, 2008). All of these theories emphasise the key activities of: reinforcing the new way of working, removing obstacles to the change, removing the old ways as much as possible, and rewarding positive behaviours through formal and social means. Arguably, comparisons can be drawn between project management and change management, in that they both consciously describe this end stage. However, the focus of the activities and targets at this stage are different between the two fields - with a combination of both of them seeming most effective.

5.0 Discussion

Review of literatures in project-based management and change management has surfaced several propositions for further development and empirical testing. The development of a conceptual framework will determine research parameters and objective boundaries for enquiry.

A clear gap in our knowledge is with stakeholder analysis. While project management and change management both identify this as a necessary activity, change management provides
the more comprehensive strategy, tools and techniques to manage risks generated by stakeholders. Project-based management provides change initiatives with the structure to define the scope and potential outcomes. Nutt’s (2002) analysis indicates that failure to fully integrate project-based management and change management would almost certainly result in diminished effectiveness or failure to deliver on performance improvement initiatives.

6.0. Conclusion

As is evidenced from the analysis of PMBOK (PMI, 2008), Kotter’s (2007) change model and other change management models and techniques, it is argued that there is significant overlap between change management and project-based management; and therefore there is benefit in integrating the two disciplines. The tools and techniques are complimentary, and together can support performance initiatives to bring about operational improvement.

Project-based management can be a comprehensive method to provide structure to change; and change management can be used as a complimentary discipline to project managers to assist particularly with “soft” projects. There are limitations to each and difficulties in integrating both sets of techniques and tools. However used as an integrated methodology there is a higher likelihood of intervention success. While there is extant literature examining the integration of project management and change management, there is still substantial scope for further research to identify benefits and challenges in integrating both disciplines - specifically in relation to the different types of change – cultural, structural and organisational – that impact on performance.
References


Fig 1. Prosci’s (2008) Change Management Process