

The Culture of an Organization and its Implications for Projects



What is Organizational Culture?

Every organization has its own distinctive culture which sets it apart from all other organizations, including those which are operating in the same field.

Organizational culture basically refers to a system of shared norms, beliefs, values, assumptions, attitudes and behaviours which bind the members of the organization together and determine 'how we do things around here'.

Relevance of Organizational Culture

Project managers must contend with several, often diverse cultures and subcultures existing within the diverse organizational spheres of their organizations (e.g. senior management, functional areas, PMO), and outside it (e.g. clients, contractors, suppliers, government agencies and other stakeholders).

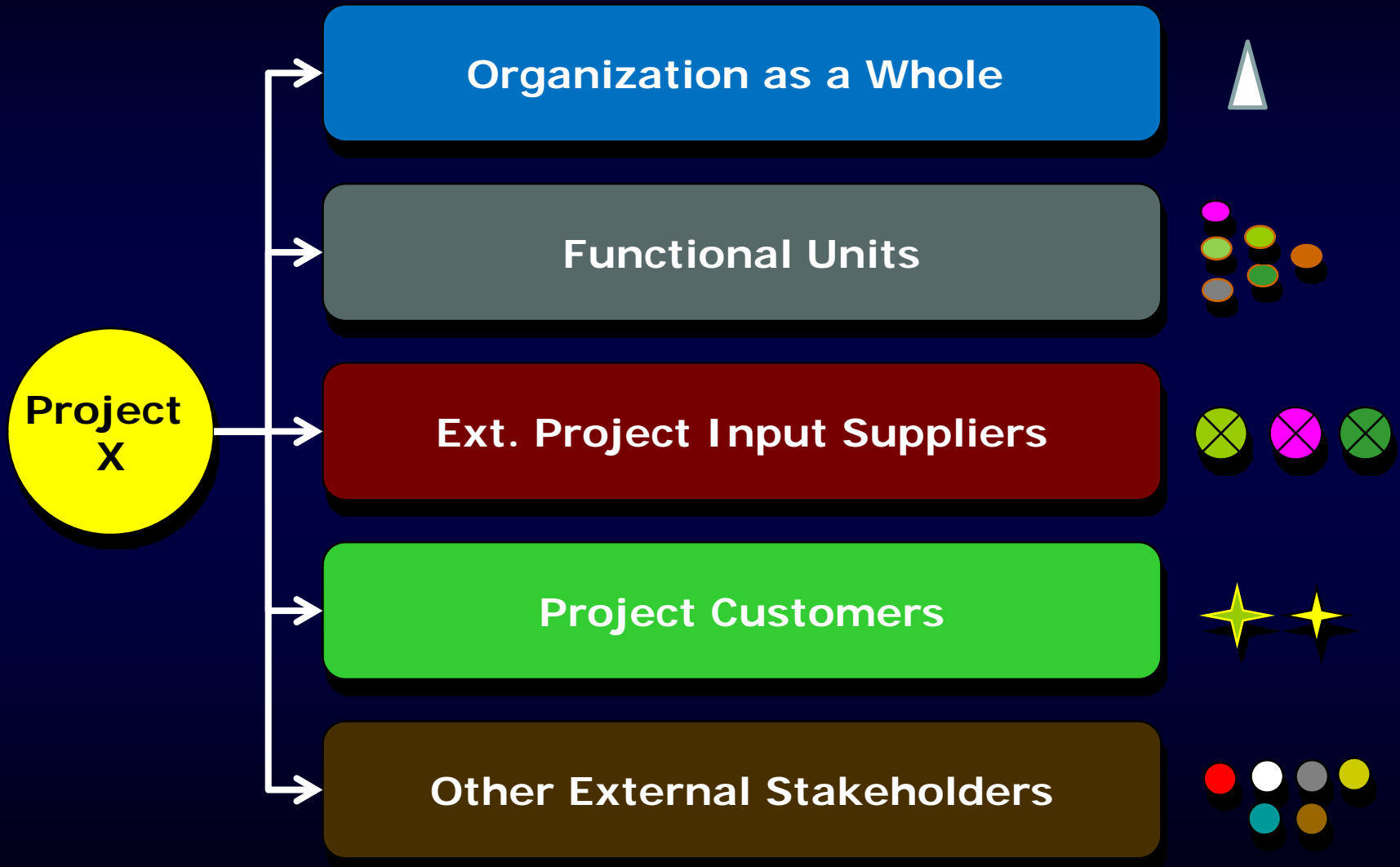
A good 'cultural management strategy' can be crucial for successfully managing a project.

Organizational Culture – A Note of Caution!

Several research studies have been conducted over the years in the US and other countries to determine the relationship between Organizational Culture and Organizational Performance.

Excercise caution in interpreting the results of these researches because studies undertaken in one country reflect the cultural, social and psychological context of that country and may not be valid for countries like Pakistan.

Cultural Dimensions of Projects

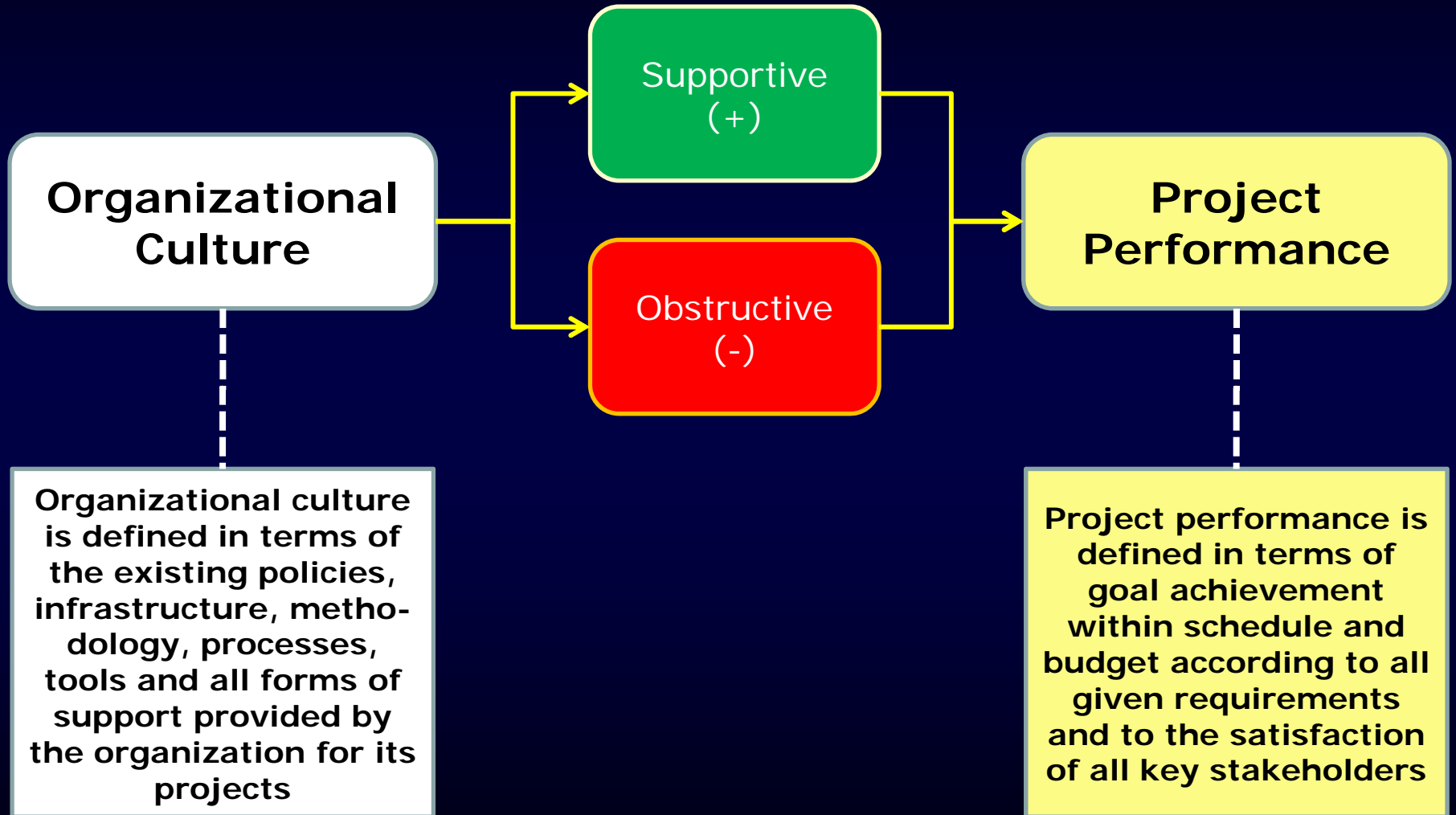


Interest in Organizational Culture

Inadequate management of 'cultural considerations' may cause difficulties for projects. Therefore, it is essential to include the cultural component as an integral and important part of managing the overall project.

The culture of an organization determines the infrastructure and processes which it sets up and the support and encouragement which it gives to support projects.

Organizational Culture and Projects



Measuring Organizational Culture

Gray and Larson have proposed ten cultural factors that are related to project success:

- Member Identity
- Team Emphasis
- People Focus
- Unit Integration
- Control
- Risk Tolerance
- Reward Criteria
- Conflict Tolerance
- Means-Ends-Orientation
- Open-System Focus

Drivers of a “Good Organizational Culture”

Without the visible, strong, active and sustained support and commitment of top management, it is not possible to create an organizational culture which facilitates projects. Top management must ensure that the projects being undertaken are aligned with the mission, goals and objectives of the organization, that the value of projects is acknowledged throughout the organization and that it is prepared to provide all forms of support which projects need in order to be successfully undertaken.



Drivers of a “Good Organizational Culture”

Projects need a strong infrastructure support base if they are to have a high chance of succeeding. Many organizations have set up Project Management Offices which perform a host of specific supporting functions in connection with projects. Organizations may have policies which require the application of sophisticated methodologies (such as the PMBOK) on their projects, are following best practices, and have devised ways to minimize friction between internal project stakeholders.



Drivers of a “Good Organizational Culture”

To undertake projects successfully, an organization must equip its human resources with the requisite knowledge and competencies and fully utilize their experience accumulated through their involvement in projects. Organizations with a good (project management) culture invest substantially in training programmes for their project managers and team members, offer handsome incentives, rewards and promotional opportunities for good performance, and accord due status.



Drivers of a “Good Organizational Culture”

All projects are built on the foundations of communication, cooperation and coordination between their stakeholders. Hence, it is imperative that the culture of the organization supports these activities to the maximum possible extent.

In organizations with a good (project management) culture, silo mentality is strongly discouraged and (formal and informal) communication, cooperation and coordination across functional lines is endorsed.



The Project Management Office



The Project Management Office

Many organizations of all sizes across the globe have established „Project Management Offices (PMOs)“ to serve as an organizational focal point for the effective and efficient management of their programmes and projects. PMOs can perform many important functions and, if conceived and managed properly, are a huge asset for project-driven organizations.

Internal Project Management Supporting Institutions in Pakistan

Several public and private-sector organizations which are operating in Pakistan, as well as the federal and provincial governments, have established structures (Project Management Units, Project Monitoring Units) performing PMO functions to support projects which they are undertaking.

Some Typical Functions of a “Mature” PMO

- Alignment of Projects with Organization’s Mission, Goals, Objectives
- Project Portfolio Management
- Resource Planning and Management
- Generating Awareness in Organization of Project Management
- Standardization of Policies, Processes, Protocols and Documentaion
- Recruitment and Selection of Project Managers and Team Members
- Training in Project Management and Related Competencies, Skills
- Monitoring, Evaluation and Auditing of Projects
- Maintaining a Project Management Information System
- Conseling and Mentoring of Project Staff
- Benchmarking Best Practices
- Archiving Documentation on Completed Projects
- Refining Project Management Methodologies
- Software Tools