DEVELOPING THE
INSTITUTIONAL CONTEXT
FOR PROJECTS

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We are often tempted to consider project management as an established and static concept. Yet, observing what has been called project management throughout history demonstrates that the concept changed dramatically through time, as our practices, context and knowledge develop. Understanding such changes is fundamental to project practitioners and academics alike as they set new boundaries, and re-define what is part of project management job, and what is outside. It also implies that our current understandings are not an end-state, and hence empower us to continue to shape it through our actions and reflections. In the article 'Managing the Institutional Context for Projects published in the Project Management Journal, Volume 42 *(2011)*, Issue 6, pp. 20-32, we explored the development of project management thinking since the ascent of

modern project management and discuss its implications to practice. In particular, the article identifies the emergence of an institutional level of understanding of projects. At this level, project management is about the development of the context for projects instead of the actual management of it. Such emerging understanding is fundamental to a further increase on efficiency and effectiveness of project delivery. The concept has been explored in depth also in P. W. G. Morris' new book, Reconstructing Project Management, *(see Chapter 8)* and in the Introduction to the Oxford Handbook of Project Management, written by P. W. G. Morris, J. K. Pinto and J. Söderlund. This short text provides a summary of this concept and in particular, of the article previously published by the authors.

There are multiple truthful and factual interpretations of the past. Our his-

torical account of project management thinking has been inspired by Parsons *(1951, 1960)*. Following his model, we delineate three levels of understanding of project management: technical, strategic and institutional (**Figure 1**).

In the first level, the 'technical level', project management is confined to the delivery of undertakings on time, in budget, and to scope. At this level, practices are biased towards techniques and processes and mainly reflect the 1960's DoD and NASA systems project management. Although old-fashioned and narrow, this conceptualization still prevails in many industries, organizations and even in project management basic education.

Yet, this conceptualization, while important, is insufficient as it fails to address the front and back-end of projects. It is at the front-end that project task, delivery context and expectations are set and henceforth the seeds of project success *(or failure)*. Managing the back-end of projects is also essential, as this is when most strategic benefits are actually realized. Addressing the front-end and back-end moves our understanding of projects to a second, more strategic level. Work at Level 2 - the 'strategic level' is strongly concerned with value and effectiveness. Despite widely accepted by practitioners and academics alike, this understanding of project management is still not as spread through organizations as the authors would wish.

In the last decades we observed the emergence of a third level of conceptualization: the 'institutional level'. The proliferation of PMOs and project management academies, the strengthening of project management certifi-

cations, the efforts to learn from projects, the increasing awareness of the importance of sponsorship and governance are a few examples of manifestations of management at Level 3. Here management is focused on creating the context to support and foster not the individual project but the portfolio of projects and programmes. In other words, it aims to improve the institutional ability to manage projects effectively. It entails both the rational "hard" mechanisms such as processes, standards, and guides, as well as the "soft" aspects, such as social contracts, behaviours, culture, etc.

Levels 1 and 2 refer to the management *in* and *of* projects, i.e. what managers need to do when working within the project to drive the project forward through its development life cycle. Level 3, in

contrast, is about the management for projects. It assumes an active role of management in the shaping and organising of its environment. Management at this level takes place both within project's parent organizations, as well as in the more holistic external environment of the project.

Within the parent organization *(in many cases the multi-project firm)*, management for projects attempts to establish a prosperous exchange of learning and capabilities between temporary and standing organizations, for instance, through the creation of enabling routines, project learning academies, communities of practice, etc. Governance plays also a pivotal role, which involves for instance sponsors, portfolio management, stage gate processes, etc. It also involves the development of an organizational

culture that accepts and values projects and its management, and understands the need for adequate resourcing and realistic expectations.

Managing for projects takes place also beyond the parent organization(s); it involves the management of the external institutional context that has a strong influence on how projects and their supply networks are shaped and executed. Leadership here includes for instance the shaping regulatory issues and approvals, garnering community and union support, giving financial guarantees, dealing with inflation, embargoes, and even shaping the understanding of the project professional through associations and their respective bodies of knowledge and certification programmes.

We argue that the institutional level is emerging as an important arena for the further development of project management. Management at the institutional level becomes particularly important as projects are increasingly used as a vehicle to manage undertakings in a wide variety of contexts from infrastructure to entertainment. Creating a fruitful context for projects would ultimately encourage long-term value creation through projects to organisations and our society at large. Action and leadership is fundamental for further developments at Level 3, and we hence plead organisations in both private and public sectors to engage, manage and lead also at the institutional level of projects.
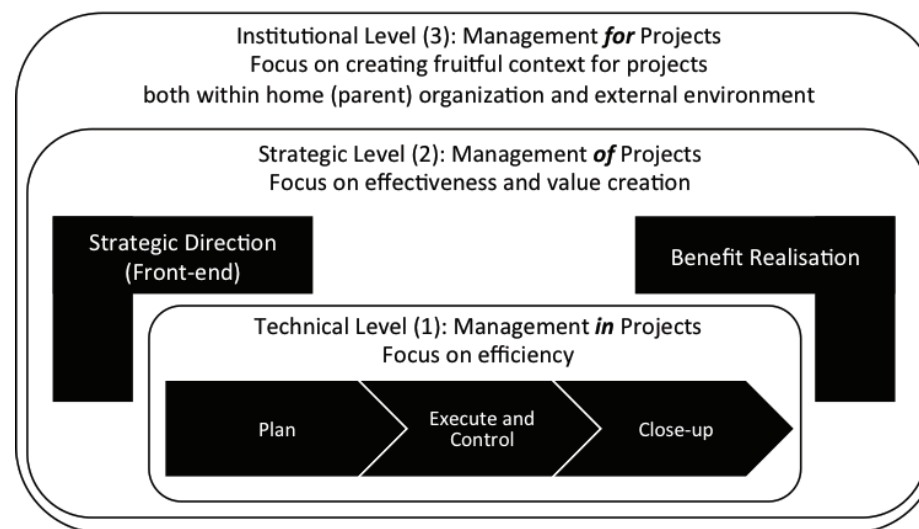

FIGURE 1. *Managing projects at the technical, strategic and institutional levels*

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