General Management Principles in the Project Management Context

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Abstract: In order that the projects can become the tools by which organizations can realize their strategic objectives it is necessary to define a culture of project management that involves the whole organization. This type of culture could be started through the definition of the main principles of General Management that govern the management of projects in an organizational context. This work is aimed to analyze the ISO norm 10006 "Quality Management Systems – Guidelines for quality management in projects" not by the quality point of view in a project management context but by the contribute to the growth of organizations through the definition implicit or explicit of principles on which it must base an organization that works for projects. The results of this study revealed that implicit and explicit principles of general management help to involve all parts of an organization and improve the management of organizational projects successfully. It will be also taken in comparison the most important project management standards such as ISO21500, PMBOK, IPMA, PRINCE2.

Keywords: Project management, Project culture, General management, Continuous improvement, Explicit and implicit principles of management, Historical information, Knowledge management

1. Introduction

In the organizations there are different types of culture and, all together they contribute to the achievement of the strategic goals that have to be pursued by the organization. Just think about the cultures of marketing, sales, human resource management, quality assurance, risk management, project management,... . In this article we focus on two of the most important, the culture of quality and project management because, unlike many others, they are not related only to a direction or to a specific department but they involve the whole organization. This means that at the organizational level the processes that involve the whole organization must be defined.

When it comes to quality, we must not presume only the quality related to product but we have to understand, as properly defined by ISO, all those techniques and processes that are needed to ensure customer satisfaction and to be determined, at the strategic level, and therefore must be applied throughout the organization.

A similar situation concerns the culture of project management because projects are the instruments through which the organization can achieve its strategic goals. The project management, with its definition of the processes, involves the entire organization because, when a project must be developed, all the departments and direction of the organization must be involved, for example:

Top management – they must take the decision on which projects must be developed and in what time (immediately, after, ...) and define its priorities in the context of a program management;
Marketing - probably the project will have to be developed to meet a business need and this direction (Marketing) will have the requirements that must be met, for which they are the main stakeholders of the project;
Technical - the direction or department who will make the product or service that will be required by marketing;
Purchases – it will manage the tender to acquire goods and services as well as manage all contractual phases of projects;
Legal - if we work with contracts as suppliers or as buyers there will be contractual clauses to be defined / analyzed;
Sales - whether it should be made a product or service to meet a business there must be someone able to sell it.

Another exception is the Project Management because it is not always placed in an unambiguous position within organizations; sometimes it is possible to find it in technical departments, marketing, sales .... In some cases, it can be observed in a hybrid organization where the management of the Portfolio Management and generally the PMO (Project Management Office) is the responsibility of top management or some directions while project organizational management is in the responsibility of other directions. Any type of solution can meet the needs of organizations in an effectively and efficiency way and may be fine for which there are no models are defined and ready to use. Among the standards and rules relating to the world of project management, there are some, although not so direct, that refer directly to how they should manage the organizations. In this context, the most significant is ISO 10006 'Quality Management Systems - Guidelines for quality management in projects' while in other standards or norms some of the following elements are present: PMBOK (Project Management Body of Knowledge), PMI (Project Management Institute), ICB (IPMA - International Project Management Association - Competence Baseline) and ISO 21500 'Guidance on Project Management'.

2. The ISO 10006

The chapter 5 'Management Responsibility' of this standard defines, in an explicitly way, eight basic principles to establish a culture of quality in the context of project management. Within this rule, implicitly, there are many other principles that the organizations could adopt to manage effectively and efficiently not only projects but the same organization.

The principles that will be described in the following paragraphs are:
- Explicit principles (ISO, 2003):
    - Customer Focus
    - Leadership
    - Involvement of people
    - Process approach
    - System approach to management
    - Continuous Improvement
    - Data-based decision making
    - Mutual benefit relationship with suppliers

- Implicit principles:
    - Stakeholder satisfaction
    - Culture of Quality and Project Management
    - Communication - information certification
    - Strategy definition
    - Maturity Model
    - Resource Management
    - Organizational Structure
    - Motivation
    - Team building
    - Historical information and lessons learned

Figure 1

3. The explicit principles of general management

3.1. Customer focus

Organizations, by their nature, are dependent on their clients, whether internal or external to the organization itself and should understand the current and future needs of customers, satisfying their requirements and exceeding their expectations. Remember that the highest expression of quality is achieved when the customer is satisfied. This principle goes against what are the indications from some standard, like the PMBOK and ISO 21500, which defines the success of projects, the simple satisfaction of the three main objectives: time, cost and requirements, leaving out customer satisfaction (PMI, 2012; ISO, 2012). Other standards, such as the ICB defines, instead, the success of projects as the achievement of customer satisfaction and the satisfaction of the three main objectives (cost, time, requirements) (IPMA, 2006). A typical example is the Sydney Opera House, considered, according to the PMBOK, as a colossal flop being lasted and cost much more than expected, while for the ICB this is one of the major success in the story of the country because it became the symbol of an entire country.

3.2. Leadership

One of the principles that should govern all organizations (but unfortunately is too often overlooked) is the creation of an environment in which people can be fully involved in achieving the organization's goals. Let us remember that the involvement of the people is a major source of people motivation.

The organizations should put people who have some high leadership skills in positions of responsibility, because it is only through leadership that it is possible to manage the organizations. We should remember that not everybody can assume positions of power only because they have done their jobs well. We must realize the necessity to create two different paths in the organizations career: the first, based on traditional resource management and business, the second, however, oriented to the specialists, through which improving their seniority in the role without necessarily having managerial responsibilities. Too often organizations have problems due to managers who are not able in their role, this means necessity of having a system of recognition of leadership qualities which unfortunately is not present in all organizations.

The leadership of an organization can be defined through:
- Quality policy setting and goal setting (including quality objectives)
- Definition of the infrastructure and resources to ensure the achievement of the objectives
- Definition of an organizational structure conducive to achieving the objectives
- Empowerment and motivation of the staff to improve the processes
- Planning of future preventive actions

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3.3. Involvement of people

People at all levels are the essence of the organization and, as already mentioned in relation to the theme of leadership, their full involvement enables to put their skills to the service of the organization. Together with this principle, there is a need to define in a clear and precise way the responsibilities of the people so that they can apply the authority and you can assume the responsibilities that are delegated to them.

3.4. Process approach

The fundamental processes, for all organizational models, support continuously the business and are the basis of the stability of the same organizations and the production of value. Another important consideration is the need to manage the activities and resources as processes if results have to be more efficient.

The organization shall identify processes and communicate the operation appropriately to all the interested parties without forgetting to define the related workflow so that it can be understood as the correlation. The processes are unique to each organization for which it is not possible to find solutions that can adapt to any circumstance and in this context it is very important to learn from the past to improve the performance in the future, a concept that will be taken in the following, but it is also required:

- Identification of the appropriate processes
- Identification of the responsible for the process, establishing their authority and responsibility.

3.5. System approach to management

Having identified and defined the interrelated processes as a system contributes to the effectiveness and efficiency of the organization in achieving its objectives. It should be also noted that a systemic approach to the management allows the coordination and compatibility of scheduled organizational processes and a clear definition of their interfaces. There should be a clear division of responsibilities and authority between the project organization and other stakeholders for the processes of the project. These could be determined and recorded. The project organization should ensure that appropriate communication processes are defined and the information is exchanged between the processes of the project, as well as among the project, other relevant projects and the organization.

3.6. Continuous improvement

Organizations, in order to improve and progress should pursue with all their strength and resources the continuous and permanent improvement of the overall performance. This path for continuous improvement is based on the concept of the PDCA (Plan, Do, Check, Act).

In order to learn from the experience gained before, organizations should activate a system (process) to record and analyze the information obtained in the course of the project activities. In this context, a key role is the management of the lessons learned and historical information. These two types of knowledge are part of the assets of the organization and their management is the goal of knowledge management (Bassi, 2014; Bassi, 2014; Bassi, 2015).

Systems for self-evaluation, internal audit and, if necessary, external audits should be provided too to identify any opportunities for improvement. In this context, the project organization is responsible for the constant and continuous research to improve the effectiveness and efficiency of the processes for which it is responsible.

3.7. Data-based decision making

Decisions must be made only and exclusively on the basis of the analysis of data and information, but the certainty that the information is correct is more important. Much attention should be paid to the 'certification' of the information because the decision taken on the basis of incorrect information can only lead to taking wrong decisions.

In a project context evaluation of the progress and the performance should be made in order to assess the status of the project. The project organization must analyse the information from performance and progress evaluations to make effective decisions about the project and to review the management plan of the project. In this context it is important to record information and decisions made in the past, with their results, so that they can be used in making decisions in similar or even different contexts.

3.8. Mutual benefit relationship with suppliers

An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value. The project organization should work with their suppliers in defining strategies to develop the required deliverables. The product specifications should be developed jointly by the supplier and the customer in order to take advantage of the skills of both. In this context, the project organization should also determine the ability of a supplier to be able to meet its needs to process and produce.

The suppliers, thus, must become partners of the organization, but this is a principle that is unfortunately ignored by many organizations, because they fail to realize that their success depends on the success of their suppliers to provide what they actually need by providing all the information that they need through working on their better definition.

4. The implicit principles of general management

4.1. Stakeholder satisfaction

The stakeholders' satisfaction can be obtained in various ways. Many standards and norms have different opinions about it. The PMBOK defines that the sponsor / customer is satisfied if the project has completed within plan, delivered on time, cost and with the respect of the requirements. The ICB and ISO 10006 define, however, that the ultimate goal of the project is to satisfy the customer and the stakeholders, possibly neglecting those who may have been the performance of the project. The important thing for an organization is to clearly define how the projects and activities can be defined as success and if the results are not satisfying, a process is defined, which investigates the causes and determines the corrective measures for the current activities or the future ones.

4.2. Culture of Quality and Project Management

Within organizations, cultures related to project management and quality management must be defined in order to make stakeholders satisfied through proper definition of the processes that govern this organization. These two cultures are transversal to the organization and involve all directions and departments that manage it. The whole organization, starting from the top management, must believe in the goodness of these cultures in order to achieve the strategic goals for which they were established. These two cultures are defined by establishing rules, processes, procedures and tools, which will be based on all the organizations activities and also through proper training of people and communication to share information.

4.3. Communication – information certification

Communication is the lifeblood that supports all organizations. There can't be no relationships between people, and organizations can't develop their business without communication. Organizations, however, must provide a communications system, with the associated processes, to ensure that the information can be effectively managed.

The organization must identify their information needs and must adopt a documented system of information management, identifying, among other things, the internal and external sources of information. An adequate information security must be guaranteed, taking into account the confidentiality, availability and integrity of the information. It is important to remember that the communications are a key element in the process of motivating people. If people acquire information within the work they have to develop, they are more motivated to produce the results with good performance.

4.4. Strategy definition

Organizations must define strategies for achieving their goals. As part of the project management, tools for managing projects must be defined. The project life cycle must be defined through the definition of processes allowing the development of projects. In the case of organizations that manage multiple projects simultaneously, it's important to define the criteria for tailoring and metrics to manage projects with different characteristics.

The strategic plan of project management must be defined; rules should be defined because through them, the project team will be able to define the project plan. It is needed to define and educate people on technological and logic tools for the management of the projects. In this case, the literature may serve only as a reference because the organizations cannot find ready-made solutions but only points of reference because each organization is different from the other.

4.5. Maturity Model

The organization, by its nature, can't afford to be static but must be dynamic and evolve over time if it wants to seize the opportunities that the market offers. The organizations, after defining the process model on which they are based, must also define what should be the reference model to which they want to strive for. In this context, there are various models of real maturity to reference, and all have the final item in the continuous improvement of processes (Bassi, 2011). Organizations should not strive for this high-performance model, the important thing is that the tools that define the processes that underpin are always consistent with expectations and can ensure high levels of performance.

4.6. Resource Management

The quality and success of a project like the same organization depends on the staff involved and not just from company (policies, procedures, processes ...). Therefore, a special attention should be given to activities relating to the processes of human resources management. These processes must have the goal, shared by the entire organization, to create an environment in which employees can contribute effectively and efficiently to all activities of the project or organization (Capodagli and Jackson, 2010).

Personnel selection must be based on a fair and accurate description of the job and the role taking into account their competence in relation to previous experiences. When selecting a person for a role of responsibility, if the person is coming from outside or comes within the organizational structure the priority must be given to leadership skills. These processes must also manage the internal resources in an appropriate manner to identify the motivational factors of each person in order to maintain a high degree of motivation. We always have to remember that people are a capital for organizations and so we have to know how to exploit them.

4.7. Organizational Structure

The organization, as well as the project manager, for their competence, must ensure that the organizational structure always responds to the needs of the organizations, the size of the team, the local conditions and the processes used. Periodically the revision of the organizational structures should be provided, and, in the event that should not be more adequate to the needs, modify them. In this context, it is necessary to be careful with the effect that these reorganizations can have on people in terms of demotivation. The most important thing that has to be done is to communicate effectively and efficiently the reasons that lead to this change by presenting / sharing, and sometimes building together the vision of the new structure.

4.8. Motivation

When the tasks are assigned to the people, their personal interests, personal relationships, strengths and weaknesses should be taken into account. Knowledge of personal characteristics and experiences can help you to locate the best definition and share responsibility among members of an organization. When a person is given a new role, this has to be understood and accepted by the person himself.

As mentioned, in the management of staff, special attention must be taken to the management of the people's motivations. Organizations must always have people motivated and the organization must be sure that the level of motivation is always high. Let us always remember that a person who leaves an organization, for insufficient motivation, is a failure of the whole organization, which should work on this to improve management processes.

4.9. Team building

One of the first responsibilities for an organization is to create a work environment in which people can establish solid working relationships through team building. Always remember that the strength of the group is greater than the sum of the forces of the persons (Blanchard, 1997).

All the heads of organizations, both project and organization, must ensure a work environment that encourages excellence, effective working relationships, trust and respect within the team and with all the other people who are involved in a specific working environments. A decision-making process should be developed and encouraged based on consensus, the structured resolution of conflicts, clear communication, open and effective and the mutual commitment to customer satisfaction. Organizations must also demonstrate consistent behaviours to encourage the

team building and not to assess the people on the basis of personal goals. Personal goals should be allocated only to assess the contribution that the individual is able to give to the group.

4.10. Historical information and lessons learned

The organization should define the information it needs to learn from projects and should establish a system for identifying, collecting, storing, updating and retrieving information. The organization should ensure that relevant information is used for other work.

The management of the historical information is the basis of the continuous improvement process. The organization shall establish, implement and make available to all people an effective and efficient infrastructure to collect and use this information. Remember that the information to be managed is related to these two categories:

- Historical information - documents retrieved from projects / activities managed by the organization;
- Lessons learned - what the organization and people have learned during the activities.

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