

PROJECT MANAGEMENT – THE WAY TO PERFORMANCE AMONG CORPORATIONS

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Abstract

Project management has developed from a simple management philosophy restricted to a few functional areas into a business process that include various areas from global market. Nowadays, most of the corporations are using project management systems to achieve performance on the global market, and they realize that project management and productivity are related.

Keywords: *project management, corporations, performance, competition, globalizations*

JEL Classification: F₂₃

Introduction

Project management is a specialized branch of management that appeared in 1950 with the aim coordination and control of complex modern economy. The emergence and development are related mainly to the initiation and development of space programs of NASA, the competition among nations for supremacy in the economic and military pressure customers who wanted their projects to be completed as soon as possible so that they can begin to recover as quickly as possible the investment, the trend of globalization of the world economy. Although it appeared in the U.S., project management was adopted quickly in Europe, the first attempts to standardize practices in the area dating from 1979 and belonging to an institute in the UK – The Chartered Institute of Building. It has now become, along with other organizations, such as Project Management Institute (The Project Management Institute), a body that certifies both project managers and field training programs worldwide. Also, in Europe, procedures for quality in project management, procedures included in the standards of the International Organization for Standardization (ISO) have developed. Project management includes logical and progressive decision processes, an adequate organization, financial and commercial management, special attention to the documents and

administrative tasks and apply traditional management methods and techniques adapted accordingly.

Literature review

Many new developments and interests in project management are being driven by quickly changing global competition markets, technology and education systems (J.R. Meredith). Project management has evolved into a business process rather than a simply process (H. Kerzner, 2011), more companies are now regarding project management as being mandatory for their survival on the global market, that is putting more and more pressure on price, response time and product or service innovation. The primary efforts of project management are to communicate and coordinate activities between the organization lines (H. Kerzner, 2011). The phenomenon of globalization and transnationalization of corporate activities have left their mark also over project management. Due to market dynamics, fierce competition, the need for innovation and development, project management is now found in many areas: information systems, health care, consulting, education, pharmaceutical, banks, government agencies, etc.

Content

Projects within a corporation must compete to achieve their mission, which is why, projects must be consistent with the organization's strategy, because projects are by definition means to achieve tactical strategies and their components. To easily identify adequate projects for an organization, and in order for these projects to be implemented, we should first remove from the very beginning unsuitable projects which entail a big budget and a risk measure, also organizational orientation is recommended towards those projects that bring immediate benefits and do not require high costs of implementing. Competition from large organizations engaged in similar projects on a small market and in developing countries should be avoided.

Taking into account the high degree of economic processes development, social and economic globalization, the dynamics of business processes, corporations feel the need to take a different approach, more consistent in the application of project management systems. Extension of project management as a means to support global competition, organizational environment to meet ever more demanding, has led to a new type of organization, the so-called body-centred projects. Such an organization has as main characteristic that its performance is measured in terms of ability to adapt to different projects and many projects developed also not according to the organizational strength or number of employees. Professional skills of employees and adaptability to new projects are of great value, much appreciated by corporations, but what matters more is the speed at which employees join the skills and knowledge to find a solution to a common problem, and the speed with which, once the problem solved (once completed project), other employees form teams to solve a new problem.

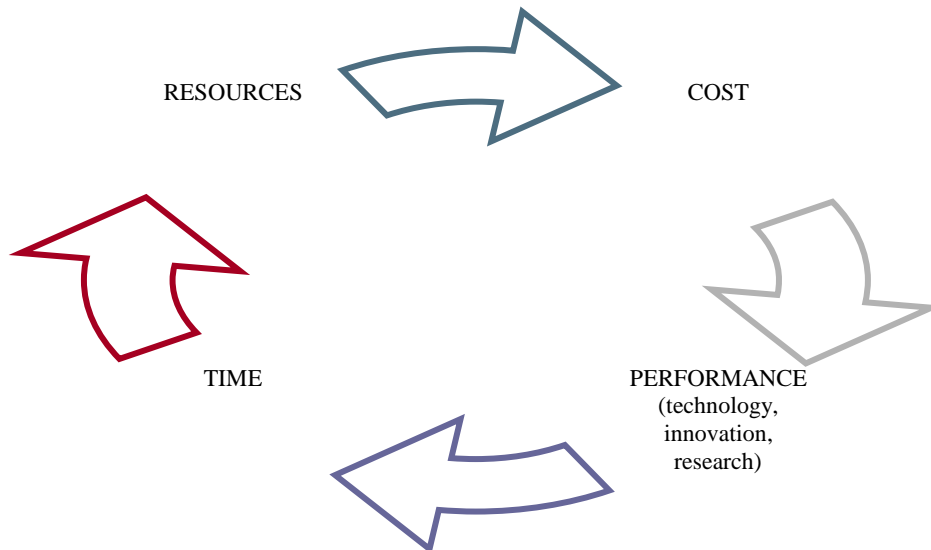


Fig. 1. *Good customer relations*

Trigger factors which cause the initiation of projects in a corporation are new opportunities for business process changes, regulatory changes, the emergence of new technologies. The problem arises when, at the same time, several projects and project ideas struggle for resource allocation and financing; in this situation companies need to prioritize their needs, manage multiple resources for such requests and should continue their work keeping the same operational parameters. Departments of programs or projects are common in large corporations. The department is responsible for overseeing projects and coordination of all projects assigned to each project throughout the company. This department establishes a simple and well-defined framework that proposes a phased approach to all projects and monitor and report progress of project portfolio management of the company. Also, this department has the role of advising project managers.

For a project to be built in compliance with quality parameters, the budget and the deadline for implementation set requires a professional management of operations taking place in the economic process. Technical complexity, the importance of work on time, resources and cost constraints require substantial planning, scheduling and strict control of all activities. Business processes usually do not have a self-regulating mechanism, and therefore require well coordinated interventions of experts for activities to be carried out as planned. Running processes can be profoundly affected by events that are sometimes difficult or impossible to predict. In such changing conditions, costs and durations of activities change constantly and may deteriorate suddenly. Exercise effective management is not only desirable, but a necessity for obtaining a satisfactory final result. Whatever the nature of the economic process to achieve the proposed objectives, the safest way to achieve the objectives of all participants is to apply a project management system.

Unfortunately, date, standards and methodologies offered by various prestigious organizations in the area cannot be to apply on a large scale. It remains rather limited applicability to a specific area or sector. Hence the many specific approaches to different areas or sectors.

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