

Impact of corporate strengths/weaknesses on project management competencies

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Abstract

The project is at the core of the construction business. Project management can be used as a tool to maximize the success of projects and ultimately the success of construction companies. It is therefore worthwhile to explore the factors that can enhance project management competencies. In this study, it was hypothesized that “project management competencies” are influenced by “corporate strengths/weaknesses”. “Corporate strengths/weaknesses” was defined as a second-ordered construct composed of three latent variables including the company’s resources and capabilities, its strategic decisions, and the strength of its relationships with other parties. The data obtained from a questionnaire survey administered to 73 contractors were analyzed using structural equation modeling (SEM). The results of the study verified the hypothesis suggested.

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1. Introduction

The construction industry is a project oriented industry. Effective project management is key for the successful accomplishment of sophisticated projects [1,2]. Jaselskis and Ashley [3] state that construction projects commonly experience uncertainty because of shortages in resources and the nature of the project. The factors that are conducive to successful project management are abundantly discussed in the literature. For example, Munns and Bjeirmi [4] suggest that the factors of success in project management include commitment to complete the project, appointment of a skilled project manager, adequate definition of the project, correctly planning the activities in the project, adequate information flow, accommodation of frequent changes, rewarding the

employees, and being open to innovations. The environment in which the project takes place was also taken into account by many researchers [5–7]. That the use of the appropriate management techniques contributes to successful project management is also stressed by many researchers e.g., [4,8,9]. The literature appears to emphasize project-related factors at the expense of company-related factors such as a company’s resources and capabilities, its strategic decisions, and the strength of its relationships with other parties.

It should be kept in mind that a company is an organization that supports the many projects undertaken by the company, generally in different geographical locations and administered by quite autonomous project managers but relying heavily on the support of the head office. In that sense, every project is somewhat influenced by the policies and culture of the central company organization. The objective of the study reported in this paper is to explore the impact of corporate strengths/weaknesses on project management performance.

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