

IMPORTANCE OF SELECTED PROJECT MANAGEMENT PROCESSES IN THE CHANGE MANAGEMENT ENVIRONMENT

DAGMAR BURDOVÁ

Abstract: *Project management has become an integral part of corporate management of most businesses regardless of size or orientation. We meet projects in enterprises at almost every step, and some managers are not even aware of this. However separate the managerial approach to the project management could be, in practice it can be used in combination with other contemporary approaches to corporate governance. It plays a significant role in the environment of change management, crisis management and performance-driven enterprise. Due to the fact that the basis for performance-oriented thinking is a positive approach to change, this paper emphasizes the importance of selected project management processes in the contemporary conditions of change management.*

Key Words: *change management, crisis management, project management*

JEL Classification: *O22, H12*

1. CONTEMPORARY MANAGERIAL APPROACHES

At the end of the last century there were gradual changes in the company management environment, not only because of vast globalisation trends, but also mainly due to newly evolving turbulent environment. Frequent and unforeseeable changes began to become the cause of the lost significance of orientation to smoothness, decision-making in certainty, stable organizational structure, or long-term forecasting. New terms started to appear in managerial practices, e.g. uncertainty, pliancy, flexible decision-making, or adaptability to changes. Therefore, stability and balance becomes the past in the company management environment, and the predominating phenomenon of today includes the changes the features of which are unpredictability and ceaselessness [Kislingerová, 2005]. A turbulent environment is characterized in significant uncertainty, which usually leads to higher caution. If companies want to survive in such a demanding world, they have to be successful, high-performing, and competitive. They may achieve it not only by focusing on quality and customers, which is very popular currently, but mainly by high flexibility and the ability to adapt to changes quickly. Thus, change management becomes one of the most efficient managerial approaches today. While a large part of contemporary managerial approaches is focused mainly on increasing performance and process management, the companies are not able to adapt to changes without high flexibility, due to which they lose their significant competitive advantage.

1.1 Change management

The present demanding competitive environment puts pressure on the choice of the subject-matter of change, management, and implementation, up to flexible utilization of changes. Therefore, change management as a new managerial discipline becomes very important [Newton, 2008]. According to Lang [2007], change management means transmitting incessant global changes in politics and econ-

omy into the company, their implementation and managing through the management staff, while the focal point is leading employees. On the contrary, Kotter in his book *The Heart of Change* [2003] puts emphasis on defining the right vision and he shows implementation of changes into practice on many examples. He puts stress on the fact that the need to change is permanent and infinite in the turbulent world. We have to think of changes not only as an independent area of company management, when due to the changes and innovations, the companies are able to stand in the competitive market, but think of them also as a part of crisis management, when all measures mean certain changes for the company. Thus, a change represents one of the most important aspects of efficient company management, when incorrect managing of a change may lead to serious consequences in the possible instability of the internal company environment.

1.2 Project management

Project management recently plays a significant role in company management, when project management is used differently in many companies. It differs from common operating management mainly by its temporary nature and the predetermined sources for its implementation. The result of the project and meeting the deadline of the project depends on the quality of the respective project management. Since project management is not a routine activity unlike common management, it is necessary to take into account the higher rate of risk during an implementation project. Project management may be implemented in companies as a certain supplement to already implemented approaches or forms of company management [Veber, 2009]. We can term project management as a method of how to achieve necessary changes and goals within the company's predefined strategy. Whereas its quality is important, we are able to save significant strengths with the achievement of the goals of the company.

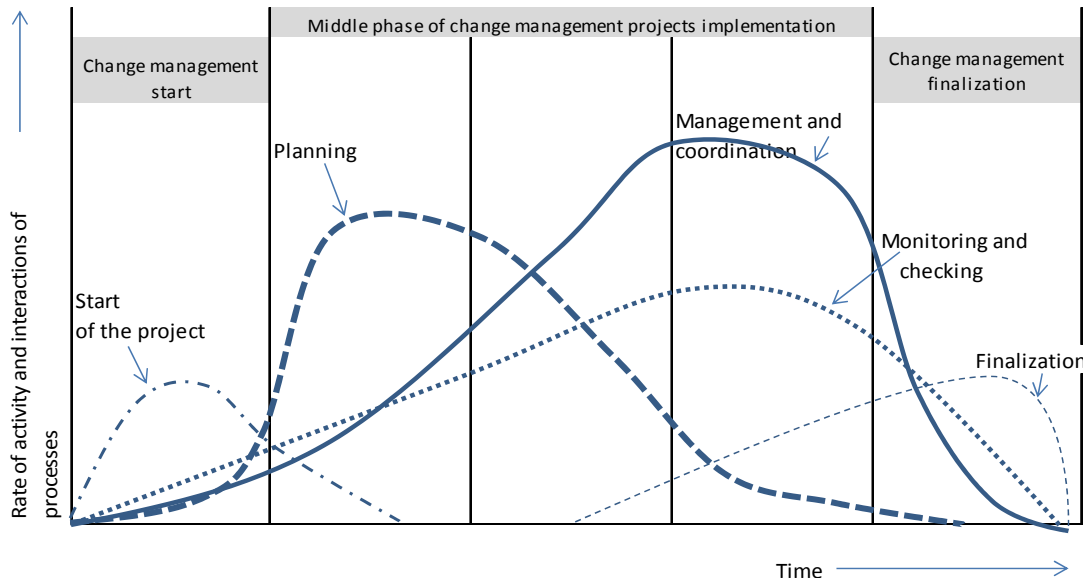


Figure 1 Rate of activity and interactions of process groups

Source: [8]

According to Veber, [2009] the activities, which are necessary for meeting the project goals, are unique and may be summarized in four basic phases: definition of project task, planning of the project, implementation of the project, and handover and evaluation of the project. As I already mentioned, the definition of the project task is directly related to the clearly defined goal of the project.

The planning of the project must be exclusively connected with the financial budget and determination of the order of activities, when the output of the planning processes is the project plan determining object, time, budget, and organisational dimensions of the project. Within the implementation process of the project, the decision-making on the fulfilment of the predefined goal of the project is carried out, and therefore it is the most important phase of project management. The individual theoretical approaches, which are used in today's practice of project management, are based on the basic Deming's model "Plan - Do - Check - Act" and they all use common steps and methods as the basis. The management frame for individual projects uses is to be adjusted to the type of the project [Svozilová, 2011]. In connection with project management we, at the same time, talk about the life cycle of the project, which is unique for each individual project.

The figure no. 1 shows individual phases of the project in common project management, which is characterized by the closing of the project. Monitoring and checking plays a very important role by considering the already mentioned higher risk, which is typical for projects. Thus, the risk management system becomes quite natural for companies, while it is necessary to approach risks particularly cautiously in the project management environment.

2. PROJECT MANAGEMENT IN THE CHANGE MANAGEMENT ENVIRONMENT

The form of project management begins to change in connection with the dynamics of the world economy development, globalisation, and rapid development of modern technologies. In this respect, among others there are also

other facts related to the aggressive market environment which have an impact on the form of procedures and methods of project management. In such an environment it is necessary to react immediately to incessant changes, quickly develop new products or such products whose development may change faster than the common length of the development cycle [Svozilová, 2011]. So, many companies today use project management as a method of the controlling of internal operations and processes, mainly within the development of new products or the implementation of changes and innovations.

Contemporary development is characterized by competitive fighting with the aim to implement changes in the process systems of a company, so that the company is able to offer products of a higher quality or for prices lower than those commonly in the market. The changes at the same time must result from a created vision which must mean a unique view of the future which becomes the goal of the company's direction. Thus, project management is successfully used in the area of change management for launching new products, changes in technologies, changes in process systems, and the offer of provided products including services. Company management through projects is an effective management tool for managing all the necessary changes in the company for the purpose of increasing the competitiveness and successfulness of the company. The complex conception of project management in perspective of change management allows managers to achieve a corresponding target state with minimum requirements for their time and financial means determined for the project.

The changes must be understood also in the conception of innovations, when according to Hamel (2008) the innovation of management covers everything that radically changes the method by means of which the management output is implemented or significantly modifies usual organisational forms, and moves the organisation's target. Thus, management innovation changes the method of the managers' work performance and therefore increases the performance of the company.

Importance of Selected Project Management Processes in the Change Management Environment

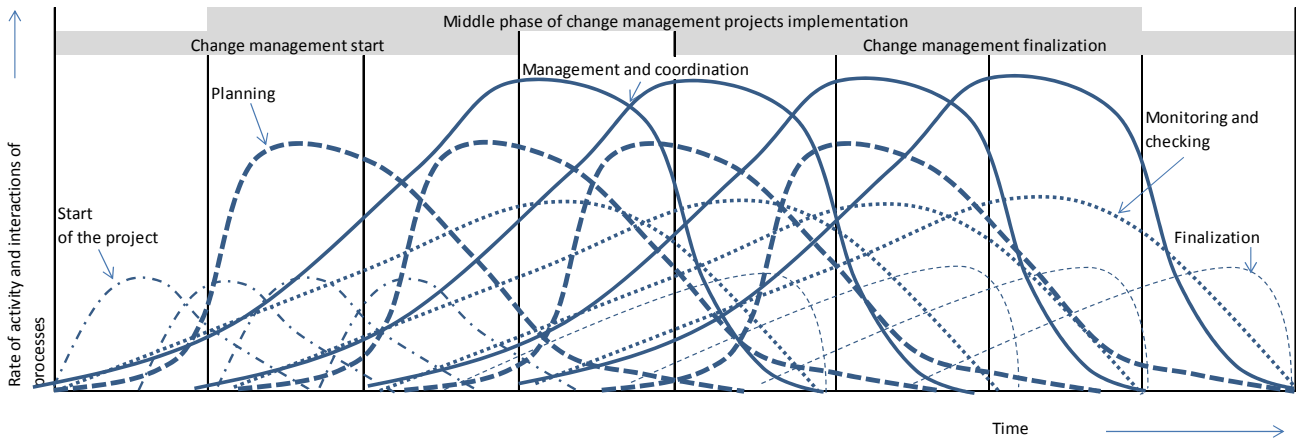


Figure 2 Rate of activity and interactions of change management process groups by means of projects
Source: Actual processing; modified in accordance with [8]

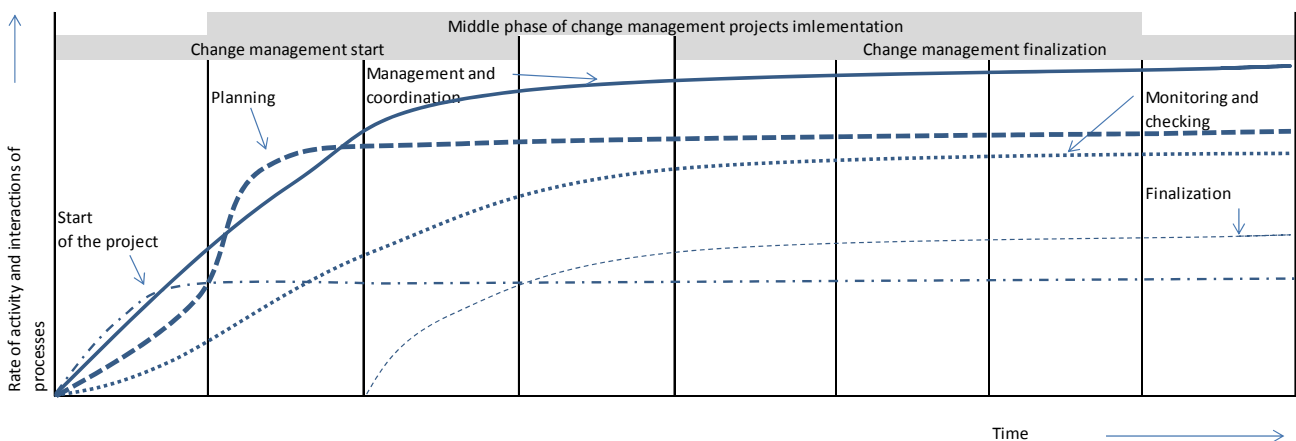


Figure 3 Project management in change management environment
Source: Actual processing; modified in accordance with [8]

Managers on all management levels must be involved in incessant change management in the company, and must play their role within the understanding of the changes of the project. Any vacillation may become a risk for the company; therefore it is important to implement all methods of project management, mainly including the monitoring and evaluation of the risks of the project. If we understand a change as an incessant and continuous process to which the company must flexibly adapt its activities, internal processes, or management methods, then it is possible to display graphically the change management processes by means of project management (Figure 2, Figure 3).

In figure no. 2 we can see the process of the incessant management of projects based on the active approach to changes, which is the basis of company management of a flexibly set company system. Constant implementation of new changes in all internal processes and divisions, like in the company management system, adjusted methods and practices, method of thinking, and approach to offered products, as well as the understanding of competitors or customers produce the process of incessant process management. The first projects are successively replaced by other no less important projects connected with newly set changes. Thus, in the change management environment we can identify unambiguous incessant and continual project management processes which must always be in accord-

ance with the company strategy. Processes must be set to be maximally flexible, so that they could adapt to all necessary changes which are required in the company in accordance with increasing their competitiveness in demanding globalisation conditions. The companies which are able to control their change processes flexibly and efficiently, and are able to use efficient tools of project management in the change management process, may be highly successful also in today's very demanding business conditions full of turbulences.

In respect to vast investment projects, we may observe high demands, mainly as regards financial resources. By contrast to it, in the change management process, it is important to focus on the monitoring and checking of the project connected with the risk management process. It is very important to implement early warning systems in the company management so that it is possible to identify risks in time and start to manage them efficiently together with the setting of new change strategies. The most significant difference between the project management in the change management environment and common project management is the time view and assessment of individual processes within the project's life cycle. While in common project management we can identify various phases of the project starting from its initiation until its closing, in the change management process the approach is very individual. If we

understand changes as an incessant and infinite process, which must be implemented in common operating management, and at the application of some processes of project management, companies will probably understand the change management system as a project without a clear time of completion at the incessant controlling and monitoring.

3. CONCLUSION

Decision-making about changes and innovations is the most important content of management. The creation of flexible and efficient company structures with the option of a flexible reaction to any change is the precondition of successful companies in today's demanding business environment, while the emphasis is put on innovation of company management and application of contemporary managerial

approaches in the internal processes of company management. In connection with the dynamics of the world economy development, it is important to react flexibly to any changes which we can identify inside and outside of companies. If we accept the idea that the need for change is permanent and infinite in a turbulent environment, then it will be necessary to take an approach to the change management as a never-ending process, which must be suitably distilled into the company management environment. Thus, for the purpose of change management we can utilize the elements and methods of project management, which goes through a changing form recently, and is very often distilled into other methods and procedures of company management.

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Ing. Dagmar BURDOVÁ, MBA

MWP GROUP, s.r.o.

Nad Rážákem 398/17, 143 00 Praha 4, Czech Republic

e-mail: burdova.dagmar@seznam.cz