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Measuring the impact of risk factors associated with project success criteria in early phase.

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Abstract

A survey was conducted in order to collect empirical data about the frequency of occurrence of several risk factors associated with success criteria. On the basis of the statistical correlation we may conclude that there are four risk factors in the initiation phase that, if occurring, will lead to the occurrence of risk factors in the implementation and evaluation phase. These risk factors are; 1) Failing to identify all success criteria due to lack of knowledge about stakeholders, 2) Having conflicting or competing criteria in order to accommodate the multiplicity and diversity of stakeholders, 3) Use of optimistic or pessimistic targets in the formulation of success criteria, 4) Use of ambiguous/soft criteria that might be interpreted differently. These factors affect all aspects of management and evaluation. The presence of these factors is also found to be contribute to the occurrence of other factors such as 1) lack of organizational commitment, and top management support 2) poor alignment to success criteria in the performing organization, 3) Subjective assessment of the project outcome during evaluation phase.

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1. Introduction

In a recent paper, Hussein (2013) identified six key risk factors that influence the quality of project success criteria in the initiation and planning phase. These risk factors, if not accurately identified and mitigated at the start of the initiation phase, will lead to further complications in the execution and evaluation phases of the project. These factors are:

1.1. *The narrowness of the criteria*

This risk factor is related to selection of success criteria that focuses only on the project management effort and do not include success criteria that describe the expected benefits and gains of the project to stakeholders. Project management literature makes distinction between project/product success and project management success (Baccarini 1999, Lim and Mohamed 1999). Project success embodies the perceived value of a project when the result or product is in operation. Project management success, on the other hand, is considered the ability to comply with time, cost, and scope requirements and is concerned with the efficiency of the project organization (Atkinson 1999). Project management success is therefore described as a narrow view of success (Westerveld 2003). Narrow focus therefore refers to selecting a limited set of criteria that measures the achievement of project management success.

1.2. *Ambiguity*

Ambiguity refers to the formulation of success criteria which may be differently interpreted (Duimering, Ran et al. 2006). Ambiguous criteria are also known as soft or subjective criteria (Crawford and Pollack 2004). Hussein (2012) gives several examples of ambiguous criteria including user satisfaction, the quality of being intuitive in use, user friendliness, ease of use, and safety. This category of criteria is hard to measure and therefore control. Time taken to clarify and understand the criteria may subject them to new interpretation and therefore to change project priorities, and might lead to improper allocation of resources or to misunderstandings in the performing organization.

1.3. *Diversity*

The presence of competing and conflicting criteria due to the diversity of a stakeholder's interest, power and influence is another risk factor that complicates the selection of success criteria. Diversity reflects the degree of variation among stakeholders or within the project scope (Hussein 2012). The diversity of stakeholders may involve geographical locations, national cultures, working practices, awareness of objectives (goal misperception), and the variety of skills or disciplines that are used in a project. The challenge that faces projects is how to accommodate the diverse, and even contradictory, expectations of all the stakeholders. Contradictory expectations give rise to complicated situations that require effective decision-making (Maylor, Vidgen et al. 2008, Hussein 2012)

1.4. *Incompleteness*

An additional factor that complicates the definition of project success criteria is uncertainty, or a lack of full knowledge about the range of project stakeholders at start-up (Young 2006), or lack of knowledge about the full range of use of the product or system. This is part of the fundamental uncertainty that characterizes project management (Atkinson, Crawford et al. 2006). The consequences of this uncertainty or lack of knowledge about stakeholders or operational use of the product might result in having incomplete set of project success criteria. This might lead to improper allocation of resources, conflicts or to misunderstandings in both the sponsor and the performing organizations.

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