

# Enhancing project benefit realization through integration of line managers as project benefit managers



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## Abstract

Many organizations establish projects to undertake change efforts. However, the aimed-for benefits are often difficult to harvest. A viable way to move the field forward may be to address the WHO question related to project benefit realization. A case study was undertaken in the international service organization with multi-site branches. The aim of this study was to investigate the potentials of integrating line managers in a formal role as project benefit managers within a project team for enhancing realization of project benefits. Based on the findings, we claim that line managers as project benefit managers can enhance compliance in project implementation. This is not least due to their detailed knowledge about operational processes. However, the cohesiveness of a project benefit manager's network as well as the mutual relationship between the project benefit manager and relevant peer managers has an importance for the success of the project benefit managers.

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## 1. Introduction

Change is inevitable in any organization. The capacity to deliver and absorb change is, however, not always present even though many organizations have 'a huge appetite for change' (Ashurst and Hodges, 2010, p. 230). Researchers point to potentials for preventing change failure and increasing benefit realization by empowering line managers and using them in the role as facilitators (Raelin and Cataldo, 2011). Furthermore, for many years, projects have been seen as an efficient vehicle for bringing change and renewal to organizations (e.g., Lundin and Midler, 1998). Zwikael and Smyrk (2012) define project benefits as 'flows of value that arise from a project' (p. 11), in other words, as positive changes generated due to the project at hand. This may be measured in economic terms such as increased revenue and cost savings or in non-economic terms such as user compliance and user satisfaction. Research (e.g., Ashurst and Hodges, 2010) has also shown that benefits do not emerge 'out of the blue' but arise when people act differently and when activities have been planned to explicitly harvest the

benefits. The current literature emphasizes the value of appointing a formal project owner in the project organization as accountable for project benefit realization (Zwikael and Smyrk, 2012) and to act as the funder's agent (Walters et al., 2008). In this role, the project owner can be 'held accountable for the realization of the approved business case in general and for the realization of target outcomes in particular' (Zwikael and Smyrk, 2012: 18).

With the challenges of benefit realization reported in the literature, the aim of this paper is to discuss whether yet another supportive role would be beneficial for enhancing benefit realization. In the literature, it is claimed that 'only business managers and users can release business benefits' (Peppard et al., 2007: 3). Research has reported IT cases in which involving business managers and users in developing and executing the plan was an effective means for making them willing to change the way they worked and comply with new IT systems (Peppard et al., 2007). Therefore, it is important to understand how business managers and users, i.e., line managers and their subordinates, can take part in the benefit realization, e.g., by being assigned to a formal role in the project organization. Line managers appointed as change agents can be seen as a structural supplement to the renewal project team as well as an alternative to internal or external consultants (Grima and Trépo, 2011). Hereby,

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line managers become the link between those who initiate change (typically top management) and the adopters of the change (e.g., employees and other line managers) (McMaster et al., 2005). Line managers are defined as middle managers responsible for a particular part of an organization, e.g., a function, such as R&D, Operations, Marketing, or an organizational unit, such as a branch.

The above indicates that project benefit realization can be enhanced by formally involving line managers in the project organization and allowing them to undertake participative activities aimed at benefit realization. However, it is not thoroughly investigated in the current literature. The aim of this paper is therefore theory building, and the research question is: What are the potentials for project benefit realization when supplementing project teams with line managers in the role as project benefit managers?

To answer the research question, we conducted an inductive longitudinal case study in an international service organization with multi-site operations, i.e., a bank with 300 branches. Prior to the commencement of the research, the development department within the case company had developed and implemented a new customer-related concept for three branch types. The development part of the project was a success in terms of project outputs delivered on time, within budget, and according to specifications, i.e., project management success (Ika, 2009; Munns and Bjeirmi, 1996). However, the implementation partly failed as both understanding and correct usage of the new concept was missing in more of the branches, and, therefore, the stipulated benefits did not materialize.

A re-launch project was established, and, unlike the original project, three branch managers were appointed as project team members to pave the path for benefit realization; we therefore call them project benefit managers. Their role was to assist the project manager and the other project team members (who were all from the development department in the headquarters) in modifying, testing and implementing the concept so that it became both useful and user friendly — and so that continuous compliance was assured. Based on an in-depth case study of the re-launch project, this paper gives inputs to theory building on the potentials of line managers as project benefit managers.

The remainder of this paper is structured as follows. In the next section, we present the theoretical framework underlying the research, after which the methodological approach is presented. This section is followed by a section on analysis and findings. A discussion section in which we relate the findings to the current literature follows. Finally, we conclude the paper by pointing to our contributions to the existing literature, limitations, managerial implications, and directions for future research.

## 2. Theoretical framework

The research was conducted by applying an inductive approach, and therefore, existing theories have been used in two ways: (1) to sensitize the researchers to the theoretical field prior to and during the case study, and (2) to examine and discuss findings. The theoretical framework is presented in this section, whereas theories used to examine and discuss the

findings are presented in the **Discussion and Conclusion** sections.

Already in the 1990s, an article on the value of establishing an active benefit realization program was published in the *International Journal of Project Management* (Remenyi and Sherwood-Smith, 1998). In 2006, two books (Bradley, 2006/2010; Ward and Daniel, 2006) and various project management handbooks (e.g., Cooke-Davies, 2007) made the benefit management concept well known for a broader audience. In the early days, the topic of benefit realization was related to IT investments (e.g., Peppard et al., 2007; Remenyi et al., 1997; Ward and Daniel, 2006), while it was later broadened (e.g., Breese, 2012; Chih and Zwikael, 2015; Zwikael and Smyrk, 2012), for example to the public sector, even though empirical studies from the IT sector were still predominant (e.g., Doherty et al., 2012).

Serra and Kunc (2014) define Benefits Realization Management (BRM) as “a set of processes structured to close the gap between strategy planning and execution by ensuring the implementation of the most valuable initiatives” (p. 53). In other words, turning strategy and visions into success demands success in the project implementation phase. A common reason for no or limited generation of project benefits seems to be that stakeholders within the organization for which the project should create benefits, i.e., the permanent organization for which development activities are carried out, are unable or unwilling to make use of the project deliverables (Eskerod and Jepsen, 2013).

According to Alas et al. (2010), the literature has paid very little attention to the group involved in or having substantial influence on the change and thereby project benefit realization, even though e.g., Floyd and Lane (2000) point to the role of operating managers who has to ensure that their units conform to directions chosen by managers higher in the managerial hierarchy for novel problem solutions.

Researchers (e.g., Balogun, 2003) emphasize the key role of middle management as being responsible change while at the same time operating ‘business as usual’. Although the influence of middle managers on organizational change has been acknowledged (Bryant and Stensaker, 2011), Wooldridge et al. (2008), who have published a review of middle management research, claim that the middle management literature is fragmented.

The abovementioned theoretical input is used for constructing the research design for the empirical study.

## 3. Methodology

To answer the research question, we undertook a qualitative single case study. Building on Meredith et al. (1989), Yin (2009), Meredith (1998) and more, Barratt et al. (2011) define a qualitative case study as ‘empirical research that primarily uses contextually rich data from bounded real-world settings to investigate a focused phenomenon’ (p. 329). Our aim was to explore and better understand the contemporary phenomenon of appointing line managers as project benefit managers within project teams.

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