



Preparedness for the future in project portfolio management: The roles of proactiveness, riskiness and willingness to cannibalize

Johannes Rank ^{*}, Barbara Natalie Unger, Hans Georg Gemünden

Department of Technology and Innovation Management, Technische Universität Berlin, Straße des 17. Juni 135, H71, 10623 Berlin, Germany

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Abstract

Because of the lack of research on antecedents of preparedness for the future in project portfolio management, the present study investigated associations between this previously neglected criterion and two predictor variables, namely the quality of portfolio management and proactiveness. Drawing from models of organizational culture and entrepreneurial orientation, we additionally explicated three interaction hypotheses modeling willingness to cannibalize, proactiveness and risk taking as moderators of the relationship between management quality and preparedness for the future. Field survey data were collected from two different rating sources in 165 organizations within four countries. As anticipated, both management quality and proactiveness were positively and significantly associated with preparedness for the future. All of the three interaction hypotheses involving the dimensions of entrepreneurial orientation and organizational culture as moderators received support. As hypothesized, management quality was positively related to future preparedness when willingness to cannibalize was high, proactiveness was high or riskiness was low.

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1. Introduction

Since about 2000, business scholars have devoted increasing attention to the pivotal roles of future orientation and proactivity in various domains such as project management, innovation, entrepreneurship, strategic management and organizational behavior (Covin and Lumpkin, 2011; Crant, 2000; Danneels and Sethi, 2011; Kreiser et al., 2010a; Lumpkin and Dess, 2001; Parker et al., 2006; Rank et al., 2007; Rohrbeck and Gemünden, 2010; Shenhar et al., 2001; Tellis et al., 2009; Williams et al., 2010). Although the construct of proactiveness, for example, has been featured as a dimension of strategic or entrepreneurial orientation since the 1970s (Covin and Slevin, 1989; Khandwalla, 1976; Miles and

Snow, 1978; Mintzberg, 1973; Venkatraman, 1989), empirical research on its antecedents and outcomes has begun to flourish again recently (Kreiser et al., 2010a, 2010b; Talke, 2007a; Talke and Hultink, 2010; Tang et al., 2010). Likewise, while willingness to cannibalize had been introduced as a corporate culture construct to the innovation realm in the 1990s (Chandy and Tellis, 1998), studies on its relationships with various predictors and criteria have mostly appeared in the past few years (Danneels, 2008; Danneels and Sethi, 2011; Nijssen et al., 2005; Tellis et al., 2009).

In a similar vein, project management researchers have also placed an increasing emphasis upon future-oriented issues since Shenhar et al. (2001) introduced preparedness for the future as a success criterion for the management of individual projects. Building on their work, Meskendahl (2010) expanded this construct by arguing that future preparedness functions as an important outcome not only for single projects, but also at the project portfolio level. In the present study, preparedness for the future in project portfolio management serves as the main

^{*} Corresponding author. Tel.: +49 30 314 29867; fax: +49 30 314 26089.

E-mail addresses: johannes.rank@tu-berlin.de (J. Rank),

barbara.unger@tim.tu-berlin.de (B.N. Unger),

hans.gemuenden@tim.tu-berlin.de (H.G. Gemünden).

dependent variable. In the context of multiproject management, Teller and Kock (2013, p. 820) included future preparedness as a success criterion at the portfolio level and described this outcome variable as follows: “Preparing for the future deals with the long-term aspects and considers the ability to seize opportunities that arise after the projects have been brought to an end”. According to Shenhar and colleagues (Shenhar and Dvir, 2007; Shenhar et al., 2001), future preparedness may relate to the creation of new markets, the development of new or improved technologies and processes, the building of new skills and competencies and the capability to react to external challenges such as technology or market changes (Meskendahl, 2010; Rohrbeck and Schwarz, 2013). Recently, Maltz et al. (2014) argued that preparing for the future constitutes the longest-term success factor not only at the single project level, but also at higher business unit and corporate levels. However, firm-level research on this future-oriented outcome within the context of multi-project management is in its nascent stage, as business scholars have begun only recently to discuss future preparedness as a success factor for the management of complex project portfolios (Meskendahl, 2010; Teller and Kock, 2013). Integrating these disjointed streams of research on future-oriented organizational culture, entrepreneurial orientation and project management constructs, the present study incorporates variables from all of these three domains.

Drawing on Schein’s (1990, 1996, 2010) theory of organizational culture and prior conceptual work on relevant dimensions of corporate innovation culture as well as entrepreneurial or strategic orientation (Chandy and Tellis, 1998; Covin and Lumpkin, 2011; Danneels and Sethi, 2011; Lumpkin and Dess, 1996, 2001), we generate and test a novel set of hypotheses explicating the role of three culture-related constructs (willingness to cannibalize, proactiveness and riskiness) within the new context of project portfolio management. To date, relatively little research has applied these organizational dimensions to the realm of portfolio management or examined the moderating effects of these constructs on the associations between managerial input and organizational outcome variables (Meskendahl, 2010; Tang et al., 2010). For example, although Meskendahl (2010) proposed that strategic orientations such as risk taking may moderate the association between project portfolio structuring and success, little empirical research has substantiated such theoretical claims. A few promising studies in domains other than project portfolio management (e.g., Atuahene-Gima and Ko, 2001; Tang et al., 2010) revealed significant moderating effects of strategic orientations including proactiveness and risk taking, thus suggesting that such variables may also play a moderating role in the context of project portfolio management. Therefore, the major objective of this study is to investigate the three previously mentioned culture-related organizational constructs as moderators of the relationship between the management quality related to project portfolios (Jonas et al., 2013) and preparedness for the future in project portfolio management (Teller and Kock, 2013).

In addition to our first and main goal of examining such moderating effects, the present study also pursues two additional aims: our second aim is to examine more simple direct associations between the two independent variables management quality as

well as proactiveness (Kreiser et al., 2010b; Talke, 2007a, 2007b) and future preparedness. Because of the practical importance and the lack of prior investigations of future preparedness in multiproject management (Teller and Kock, 2013), it is critical that both simple main effects and more complex moderating effects are detected. Although a few recent studies incorporated items pertaining to future preparedness in composite measures of project portfolio success (Teller and Kock, 2013), almost no research has explicitly focused on this criterion or examined its unique antecedents compared to other success facets such as portfolio synergy (Cooper et al., 1999; Jonas et al., 2013; Meskendahl, 2010). Therefore, our third and final aim is to demonstrate the specific applicability of our research model for the prediction of future preparedness as compared to the more traditional success factor portfolio synergy. Such cross-project synergies may relate to technologies, marketing, knowledge or resources and evolve when the coordinated management of multiple projects within a portfolio delivers benefits beyond the results of independently managed projects (Meskendahl, 2010; Platje et al., 1994). Although we acknowledge that management quality may also be relevant to portfolio synergy, we argue and demonstrate that proactiveness is more critical to future preparedness and that the predicted moderating effects apply uniquely to this success criterion.

1.1. Contributions of the present study

Overall, the present research contributes to the literature on project management, organizational culture and entrepreneurial orientation in three meaningful ways: First, we integrate relevant constructs from these largely disjointed domains and assess differential effects of the three organizational dimensions, namely willingness to cannibalize, proactiveness and riskiness, thus demonstrating the recently emphasized value of separately considering such constructs (Kreiser et al., 2010b; Tellis et al., 2009) within the new context of project portfolio management. Almost no research to date has simultaneously considered the relevant factors from both the corporate innovation culture model (Tellis et al., 2009) and from frameworks of entrepreneurial or strategic orientation (Covin and Lumpkin, 2011; Lumpkin and Dess, 1996, 2001; Venkatraman, 1989). Among the six attitudes and practices included in the model and measure of corporate innovation culture (Chandy and Tellis, 1998; Tellis et al., 2009), willingness to cannibalize appears to bear the strongest conceptual relevance to future-oriented outcomes and has received the greatest theoretical and empirical attention, particularly in recent years (e.g., Danneels, 2008; Danneels and Sethi, 2011; Nijssen et al., 2005).

Among the various dimensions considered in models of entrepreneurial orientation (Covin and Lumpkin, 2011), strategic orientation (Venkatraman, 1989) or the corporate mindset (Talke, 2007a, 2007b; Talke and Hultink, 2010), proactiveness and riskiness or risk taking have been identified as two different key dimensions (Kreiser et al., 2010b). In a study of more than 1000 companies in six countries, Kreiser and associates (2010b) recently presented confirmatory factor analytic evidence of a two-dimensional solution featuring proactiveness and risk taking as separate factors and identified differential country-level predictors

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