



Linking entrepreneurial orientation to project success

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Abstract

Entrepreneurial orientation (EO) is a strategic posture of an organization, and it is related to basic policies and practices for the development of entrepreneurial actions looking for creating competitive advantages. This study develops and tests a model of the relationship between entrepreneurial orientation and project success in Brazilian context. As quantitative research, a survey was used to collect data. A sample of 100 valid answers from project practitioners was treated through the structural equation modeling method. As research implications, the main result points out the positive correlation between the entrepreneurial orientation and the project success, contributing to the development of this research subject and helping to minimize the gap in the literature that addresses the relationship between project success and EO. In practical terms, understanding that innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness (the dimensions of the EO) can contribute to project success and can also indirectly impact on organizational performance, could help organizations get competitive advantage when developing correlate factors. Finally, the results suggest that practices of project management can be aligned to the firm's entrepreneurial orientation to enable firms to attain better results in their projects and generate a competitive advantage. On other hand, given the proportion of the impact of EO on project success (20.3%) identified in this study, it is critical that project management professionals expand their horizon to recognize other factors that affect project success.

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Keywords: Project management; Project success; Entrepreneurial orientation; Entrepreneurship; Structural equation modeling; SmartPLS

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1. Introduction

Recent market dynamics levels are largely responsible for stimulating growth and innovation, which puts pressure on organizations to respond to more complex demands using increasingly competitive cost approaches. To meet the concerns arising from this scenario, a natural decrease occurs in the organization's set of operations, making room for an escalation of activities through projects (Shenhar and Dvir, 2007). Because of this, a significant number of companies are adopting project management techniques (Berssaneti and Carvalho, 2015) and investing resources and efforts in the implementation of project management (Martens and Carvalho, 2016).

Studies on project management point out positive impact of the use of project management methods on project performance (Dvir et al., 2003; Ling et al., 2009). Nevertheless, projects present failures. According the Pulse of the Profession[®] report (PMI, 2017), for each US\$ 1 billion invested in projects that did not reach their objective, US\$ 97 million are lost.

The development of project-based activities in the organizational setting is naturally accompanied by approaches focused on evolving the understanding of project success (PS) as well as its influence on the organizational performance. PS is related to the objectives of the project (De Wit, 1988). The concept of PS, given by Kerzner (2004), is directly linked to the results that are obtained in each of its projects, especially when they constitute the core business and the essential abilities of that company. According to Carvalho and Rabechini (2017), there has been a number of studies addressing project success and how it can be measured in projects. So, as projects are successful, organizational results can be favored, referring to the contribution of project success to organizational performance in certain areas (e.g., efficiency, development and innovation) (Yang et al., 2014).

Organizational performance has also been the focus of studies in literature on entrepreneurship, especially relating to the entrepreneurial orientation (EO) of an organization. According to Lumpkin and Dess (1996), the EO consists of five main dimensions: innovativeness, risk taking, proactiveness, autonomy and competitive aggressiveness. These dimensions characterize and distinguish key entrepreneurial procedures (Lumpkin and Dess, 1996), and characterize the firm level entrepreneurship (Anderson et al., 2015; Martens et al., 2016). Studies show that organizations with a higher EO tend to have better organizational performance (Rauch et al., 2009; Moreno and Casillas, 2008).

The topics of project management and entrepreneurship have been increasingly developed in the literature, but few studies address the connection between them and their subareas (Kuura et al., 2014), as well as the link between EO and project success (PS). Lundin et al., 2015 point out the link between entrepreneurship and project management as a challenge for research in the project management field. Martens et al. (2015) studied the relationship between EO and project management and identified a positive relationship, characterized in terms of several knowledge areas such as integration, scope, time, cost, quality, human resources, communication, risk and procurement management. These same authors point out that the EO can affect the project

management maturity, and they suggest that the decision-making process is likely to acknowledge and encourage elements of the EO, as a step to seek excellence and success in projects (Martens et al., 2015). In recent study Gemünden et al. (2017) proposed a new concept of the project-oriented organization composed by three segments, i.e. values, structures, and people, pointing the entrepreneurial orientation as one of the values this concept.

In addition to this signaling about EO and PS, other aspects of the literature suggest a relationship between EO dimensions and good project management practices: the potential convergence between innovation and the use of good practices in project management (Gordon and Tarafdar, 2007); the development of new products, processes and services (Meredith and Mantel, 2008); the tendency to take risks in an organization as a deciding factor in the project selection process (Kerzner, 2004; Carvalho and Rabechini, 2015); proactive thinking as an expectation for an outstanding project manager (Kerzner, 2004); and obtainment of autonomy from the project sponsor as contributing to the success of the project (Russo and Sbragia, 2007; Kerzner, 2004). Kock and Gemünden (2016, p.11) suggest that “EO is an important contingency factor for the performance of portfolio management practices”. However, there is still a research gap to work on the relationship between EO and project success.

In this context, this research aims to answer the following question: what are the effects of the entrepreneurial orientation on project success? Thus, the main objective of this research is to develop and test a model of the relationship between entrepreneurial orientation and project success in Brazilian context. As quantitative research, a survey was developed together with professionals engaged in projects in different size of companies (most of them were working in large companies) operating in service and manufacturing industry in the Brazilian context, and the data were analyzed using the structural equation modeling (SEM). The results show a positive relationship between EO and PS. These results contribute to the development of this research topic as well as lead organizational practices that can contribute to project success.

Following this introduction, a brief conceptual review is carried out on PS and EO; next, the research method is described, results are presented and discussed, and, finally, closing remarks are made.

2. Literature review

2.1. Project success

The theme of project success has been addressed in different ways in the literature. Initially, it is paramount to point out a distinction between success in projects and success in project management. According to De Wit (1988), project success is related to the goals and benefits that are provided in a project for its organization as a whole, dealing with the effectiveness, objectives and benefits that are provided by the project, and success in project management is related to the direct action from a project manager, applying tools as determined by the scope, deadline and cost of each project. This distinction is also

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