

What is project business?

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Abstract

This article defines project business and employs a bibliometric study for considering the relevant characteristics of this concept. The motivation for this study is the shallow definition of project business in contemporary project studies. Furthermore, there is no overview on such relevant academic business sources that the project business concept would be built on. The research methodology utilises a bibliometric study of the most cited business journals. The bibliometric study results in key sources that can be considered as one scientific foundation for project business. However, this research goes beyond an ordinary bibliometric study, as the key sources were read and their content was carefully analysed. In this analysis, we constructed eleven article clusters, whilst simultaneously building up an understanding of the interrelatedness between articles and article clusters. The analysis results in seven findings that explore project business. The findings indicate that there is a need for several theoretical foundations: organisation theory, innovation theories, sociological and psychometric theories. Furthermore, in the future, there may be a need for a stronger body of strategy research. The analysis results in a definition of project business. According to this definition, the unit of analysis is a firm rather than a project. The firm and its business are in a focal role, whereas projects may be secondary. The findings, project business definition, and related reasoning contribute to new knowledge about the characteristics of project business. This knowledge is also relevant for further theory building and for developing novel managerial applications in business.

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1. Introduction

Both project and business are important concepts. When these concepts are brought together, the following questions will become relevant: What is the role of projects in undertaking business? and: What is the role of business in undertaking projects?

Morris' [1] analysis on the evolution of project management provides an excellent understanding of different

contexts where projects are conducted. Such project contexts can be considered to be representative for different businesses. This aspect brings businesses and projects together. Furthermore, Morris' study introduces different relevant lines of research that contribute to the understanding of the interrelated roles of projects and business. When modern project management began to develop, it was the efficiency rather than the effectiveness paradigm that was prevalent. Projects were used in manufacturing for seeking improved coordination. In the beginning, the managerial discipline relied mostly on administrative schemes related to purchasing and coordinating timely interdependencies in projects and between individual projects. In today's project management literature, projects are brought to a more strategic

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context where dependent or independent multiple projects contribute to the fulfilment of strategic objectives in the entire business system [2–6].

The term project business is discussed by Cova and Holstius [7] from a project marketing perspective. They recognise the difference in project business compared to traditional trade. The article of Skaates and Tikkanen [8] reviews the contributions of project marketing, emphasising the connection between the business relationships of individual projects and the wider environment in which these projects take place. The recent project portfolio management research line addresses the strategic management of multiple projects in business [9–14]. This line comes from a product development context, having its theoretical background in the fields of corporate investments and corporate finance. Also criticism exists, with arguments that the management of projects is still too rigid and emphasises the original-work, coordination-oriented project management view rather than a strategic-change business perspective [15]. This implies that current management approaches may not give enough recognition to the business context of projects, such as the strategic, business cycle, or R&D [15]. Strategy is important for any business. The variety of attempts to express the specific nature of a strategy has led different authors to create different strategic schools. One important perspective, focusing on how strategy is managed, is the process view to strategy, comprising both strategy formulation and implementation [16–25]. Strategy researchers have included projects and projectification in their fields of interest as part of strategy formulation and implementation [26]. Also complex product systems and their characteristics have been extensively researched [27]. The article by Söderlund [28] reviews recent articles on projects and project management published in scientific management and organisation journals, and articles in the International Journal of Project Management. Söderlund's article establishes an overview on research on different combinations of single-project and multi-project contexts, and single-firm and multi-firm contexts. Söderlund's conclusion is that the contexts of multi-projects and multi-firms are significant for the future of project research and for practical applications.

The objective of this article is to provide a definition of project business and to introduce its relevant characteristics. Existing studies do not provide a profound definition of this important concept. Furthermore, the current knowledge does not cover extensive overviews on sources which would lay a proper foundation for the project business concept. This study aims also at providing key sources that would lay a proper foundation for the project business analysis. As the business issue is definitely the interesting part of project business, we consider briefly the *business* part of the concept in the following. The term business referred originally in

the 19th century to activities or interests. Since then, it has shifted towards referring to activities of an individual commercial firm. This again links the concept of business to the theory of the firm. The theory of the firm was, in the mid-20th century, dominated by a general economist view. Later, the focus has shifted towards looking into particular issues such as processes, organisation, decision-making, and information flows within the firm context. In general, business is considered as an establishment for performing economic activities: businesses exist to produce profit. In this article, however, our basic assumption is that also non-profit organisations conduct business. In the case of non-profit organisations, the ultimate objective of financial return is replaced by business objectives that relate to multifaceted benefits produced for various stakeholders. The complexity of business is further emphasised by perspectives where firms doing business are seen as coalitions of multiple, conflicting interests where rules and standards provide a degree of bounded rationality [29].

Project business is contextually linked with the business environment. It is obvious that project business evolves not only from the traditional project management discipline. A more natural assumption is that general management science may include more relevant research that contributes to the business thinking related to firms and their projects. Thus, concerning the methodology for contributing to new knowledge in this study, we focus on searching business rather than project literature.

2. Point of departure for bibliometric study

As our project business related interest is in projects that serve as vehicles for business, we decided to search for the essential characteristics of project business from highly regarded academic literature with true business content. For such true business content, we selected established and most cited journals that cover aspects of a firm's business in the areas of management, organisation, strategy and innovation. We selected the following journals as a point of departure for our search: Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Strategic Management Journal, British Journal of Management, IEEE Transactions on Engineering Management, Journal of Management, Journal of Management Studies, Journal of Product Innovation Management, Management Science, Organization Science, Organization Studies, Research Policy, R&D Management, Research Technology Management, International Journal of Technology Management, Academy of Management Executive, Harvard Business Review, and California Management Review.

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