

Project Work in Focus: Transforming Organizations and Careers in a Project-Oriented World

**Honing Your
Business Skills**



***PROJECT WORK:
SITUATION***

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Continued Growth in Projects and Project-Related Employment

In a global survey conducted in the summer of 2020 among readers of the *Harvard Business Review*, 84 percent of respondents indicated that the number of projects in their company had increased over the past five years; in 26 percent of cases, there were even more than half as many projects in 2020 as in 2015 (see exhibit 1). In 2022, 34.5 percent of all work in Germany will be done in projects, according to a study by GPM Deutsche Gesellschaft für Projektmanagement (2023, p. 9), “in which 730 companies from all ten economic sectors in Germany participated.”

The number of project-related jobs* in ten countries with established or rapidly developing project management industries** analyzed by the Project Management Institute (2013, p. 3; 2017, p. 4) also grew from 28.1 million to 60.1 million between 2010 and 2017. This represents a compound annual growth rate of 11.5 percent. By 2030, the Project Management Institute (2021, p. 4; 2022, p. 3) expects an additional 25 million project workers to be needed (i.e., 2.3 million per year), of which 12 million will be due to job creation and expansion of project work and 13 million will be due to age-related retirements.

In Germany, for example, the proportion of working time spent on projects has already risen significantly—by 22.1 percent across the various industrial sectors—and is expected to rise further (see exhibit 2).

There are two reasons for this increase in projects, not only in terms of number, but also in terms of content, which has also been noted by the International Project Management Association (2018). First, securing the future of companies is based on projects—especially due to the adjustments or transformations required in times of increasing complexity and uncertainty. Second, project work is increasingly becoming the normal *modus operandi* in the daily core business of many organizations.

Importance of Projects to the Future Viability of the Business

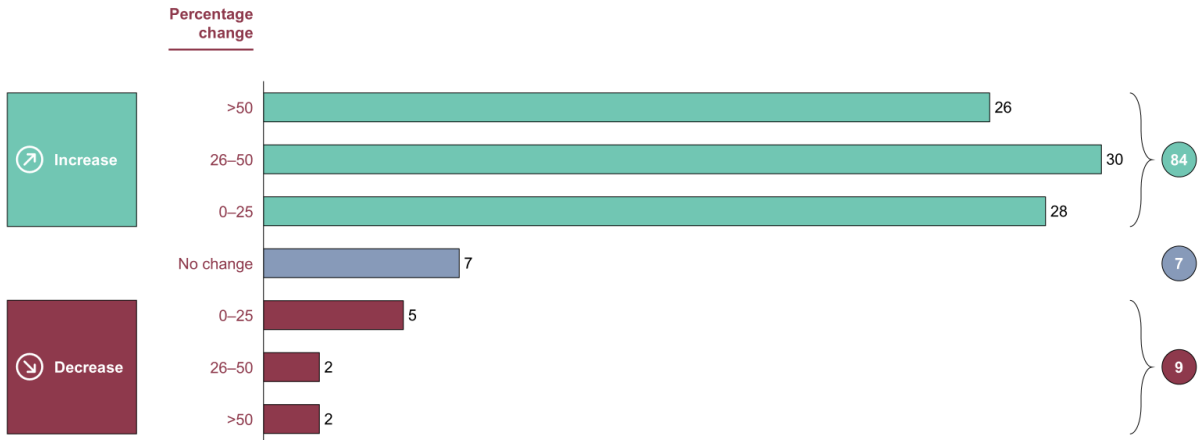
Becoming a large and successful company does not guarantee long-term survival (O’Reilly & Tushman 2007). In today’s world of continuous and sometimes disruptive change (e.g., COVID-19 pandemic, war in Ukraine), organizations must not only exploit their existing business

* Within project-intensive industries: Manufacturing & Construction, Information Services & Publishing, Finance & Insurance, Management & Professional Services, Utilities, and Oil & Gas

** Asia/Pacific (Australia, Japan), China (Mainland China), Europe (Germany, United Kingdom), Latin America (Brazil), Middle East/North Africa (Saudi Arabia, United Arab Emirates), North America (Canada), and South Asia (India)

Transforming Organizations and Careers in a Project-Oriented World

CHANGE IN NUMBER OF PROJECTS PER ORGANIZATION BETWEEN 2015 AND 2020 – PROPORTIONS* BY MAGNITUDE OF INCREASE/DECREASE IN PERCENT



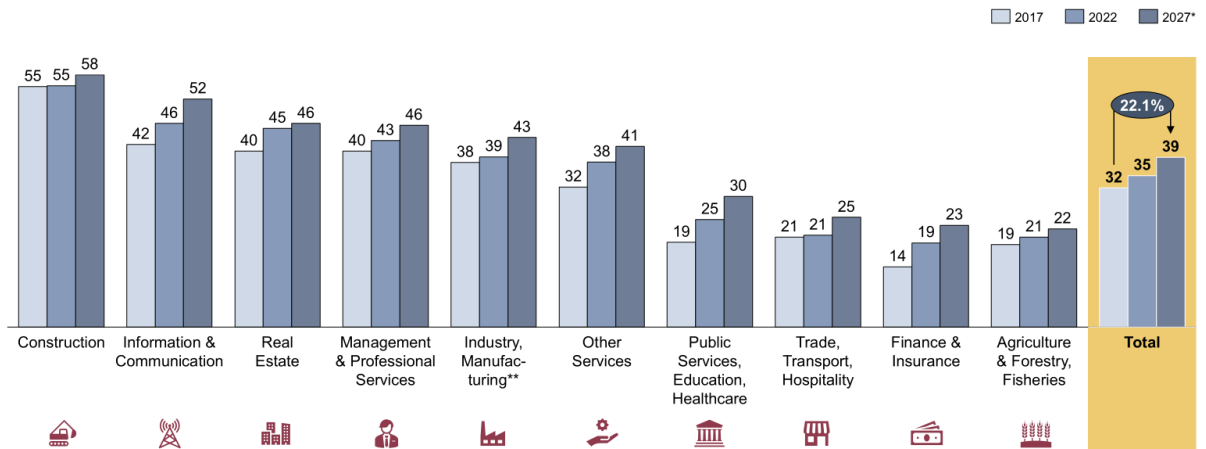
* n = 1,284 respondents (556 senior executives and 728 project experts); regional distribution: North America (41%), Europe (26%), Asia (12%), South America (8%), Middle East (6%), Africa (4%), and Australia/New Zealand/Oceania (3%)

Source: T. K. HAMANN based on Nieto-Rodriguez (2021a, pp. 6–10, 36–37)



Exhibit 1

SHARE OF PROJECT ACTIVITIES IN TOTAL WORKING HOURS BY ECONOMIC SECTOR, GERMANY IN PERCENT



* Projection
** Without Construction

Source: T. K. HAMANN based on GPM Deutsche Gesellschaft für Projektmanagement (2023, p. 27)



Exhibit 2

and related competencies but also prepare for a changed future and build the necessary competencies (exploration); the latter requires organizational change, typically implemented through projects (Nieto-Rodriguez 2021b, p. 4). In the past, the focus was on optimizing operational processes to increase productivity, but today organizations must increasingly focus on projects and project-oriented work. A firm's ability to strike the necessary balance between exploitation and exploration is referred to as organizational ambidexterity (e.g., O'Reilly & Tushman 2007; Raisch et al. 2009). It is considered to be a prerequisite for the sustainable survival of organizations (e.g., Duncan 1976; Abernathy 1978; Tushman & O'Reilly 1996; Brenner & Tushman 2003; O'Reilly & Tushman 2013—all cited in Meisinger & Moldaschl 2021) and has also been empirically confirmed as a reliable indicator of success in several studies (e.g., Katila & Ahuja 2002; He & Wong 2004; Atuahene-Gima & Murray 2007; Cao et al. 2009; Raisch 2008; Uotila et al. 2009; McCarthy & Gordon 2011; Luger et al. 2018—all cited in Meisinger & Moldaschl 2021). To combine the management and successful implementation of change and major strategic initiatives, more and more companies are creating the role of a Chief Project Officer (CPO) at the board level (Nieto-Rodriguez 2022a). This opens interesting career opportunities for project professionals.

Project Work as the Standard Way of Working

Projects are not only critical to the survival of companies but also the new key to value creation (Nieto-Rodriguez 2021b, pp. 4–5). This means that they are not only relevant to business change (exploration) but increasingly represent the normal way of working in the core business (exploitation). As early as 2016, 79 percent of managers in a large-scale survey said that in the future, the workforce will be structured more around projects, i.e., tasks that are aligned with common goals and performed in teams, than around line functions (Shook & Knickrehm 2017). Management thought leader Roger Martin (2019) also believes that projects now account for at least 80 percent of employee activity. In a survey conducted in the summer of 2020, ca. 39 percent of respondents reported that more than half of their company's revenue came from projects (see exhibit 3).

As a result, the importance of project-based organizations (PBOs) has increased significantly (Samimi & Sydow 2021; Nieto-Rodriguez 2022b). In such an organization—as opposed to matrix, functional and other forms of organization—projects are the primary structuring principle of activities (Hobday 2000; Davies & Hobday 2009). For example, employees at game, software, and hardware developer Valve (2012) work exclusively on their own projects in flat hierarchies. Tetra Pak, a global provider of processing and packaging solutions for the food industry, has also

FREQUENCY* OF VARIOUS REVENUE SHARES PER ORGANIZATION GENERATED BY PROJECTS



* n = 1,284 respondents (556 senior executives and 728 project experts); regional distribution: North America (41%), Europe (26%), Asia (12%), South America (8%), Middle East (6%), Africa (4%), and Australia/New Zealand/Oceania (3%)

Source: T. K. HAMANN based on Nieto-Rodriguez (2021a, pp. 6–11, 36–37)

Exhibit 3

opted for a project-oriented organizational structure (Söderlund 2015). The term “projectification” of organizations and society has already been coined to describe this phenomenon (e.g., Nieto-Rodriguez 2021b; Wilkinson n.d.). Gone are the days when specialists in production, finance, marketing, sales, etc. spent their entire careers in their respective functional areas, because a deep understanding of a particular area led to greater credibility, faster advancement, and correspondingly higher incomes; instead, generalists who move between areas and whose careers develop through a sequence of different projects are on the rise (Nieto-Rodriguez 2021b, p. 23). This means that more and more project experts are also in demand in the core operational business of companies.

Key Take Aways

The increasing importance of project work due to the so-called “projectification” of organizations and society is a key trend that is fundamentally changing companies and the world of work. Projects are no longer just a method for implementing change (exploration) but are increasingly becoming a central component of operational business. This development is reflected in the increasing number of projects and project-related activities, as well as in the growing demand for project specialists, as numerous studies and surveys show.

The shift to project-based organizations is a response to the increasing complexity and uncertainty of the global economy. It enables companies to adapt to new challenges while ensuring long-term innovation and stability. The success of organizations increasingly depends on their ability to balance the optimization of existing processes (exploitation) with the implementation of future-oriented projects (exploration).

The growing demand for project managers and the creation of roles such as Chief Project Officer (CPO) underscore the importance of this development. For professionals, “projectification” offers exciting career opportunities as people with project management skills are increasingly in demand.

Overall, project work is not just a tool for change but is becoming a central work and value creation tool.

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