Impact of Multiproject Management in Hospital Organizations

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In recent years, multi-project management has become a new focus of project management, more specifically strategic project management. This is due, on the one hand, to the large increase in the number of projects being carried out in companies and other organizations. Secondly, the projects have become more demanding and, thirdly, the interdependencies between the projects have sharply increased (Shenhar & Dvir, 2007). The increased interdependencies between the projects result from the efforts to define projects more comprehensively in order to reduce throughput times and costs and to exploit technology and market-related synergy potential. It is often spoken of programs instead of projects, to emphasize the higher level of integration and the overall responsible concept. However, for reasons of feasibility, projects are often defined more narrowly and more locally than the overall task requires. As a result, however, the problem of coordination between these more narrowly defined projects is shifting to multi-project management. When is a multiproject management successful? What are the future challenges? These questions should be taken seriously so as not to spend unnecessary efforts and resources in the establishment and further development of multi-project management. The problems and success factors are remarkably similar (Seidl, 2011), even though the companies and industries involved in multi-project management are very different.

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Introduction

First of all, the concept of multiproject management has to be defined in order to be able to distinguish it from related concepts. In contrast to project management, multiproject management is still not defined uniformly and different publications sometimes use different definitions (Seidl, 2011; Lomnitz, 2008; Kühn, 2002). In English-language literature, multiproject management and project portfolio management are often equated (Crawford, 2002). As only projects, programs, and portfolio management are distinguished from one another. The multiproject context is therefore investigated in the international literature under the name “Project Portfolio Management” (Martinsuo & Lehtonen, 2007; Dye & Pennypacker, 2000). Against this background, the definition of the Project Management Institute (PMI) is the majority used for multi-project-specific approaches (Patanakul, 2015). The PMI (2013, p. 5) defines it as follows: Portfolio management is the coordinated management of one or more portfolios to achieve organizational strategies and
objectives. It includes interrelated organizational processes by which an organization evaluates, selects, prioritizes, and allocates its limited internal resources to best accomplish organizational strategies consistent with its vision, mission, and values. As a starting condition of definitions, the processes are presented in a multi-project-specific context, which refers to the overall planning, control and control of projects. Competing projects are being carried out at the same time (Caniëls & Bakens, 2012). The focus of the approach is on the organization’s strategic and economic goal achievement (Patanakul, 2015), in which a complete project landscape is managed as one large unit (Meskendahl, 2010).

There are two main reasons for the interest of companies in multiproject management. On the one hand, projects are increasingly seen as an extension of corporate strategy, allowing for more transparent and faster strategic integration. In particular, the ever-accelerating change in technology and markets requires companies to be more flexible and adaptable (Archer & Ghasemzadeh, 1996; De Sarbo, Di Benedetto, Song, & Sinha, 2005). Secondly, advances in product development mean that mastery of cross-project coordination and integration needs is increasingly seen as a critical success factor for businesses (Clark & Fujimoto, 1991). Summing up these aspects, vertical and horizontal coordination requirements have emerged in recent years, which must be counteracted by establishing appropriate coordination measures. Cusumano and Nobeoka (1998, p. 157) formulate the challenge as follows: “To manage multiple projects well, companies need specific organizational capabilities that promote coordination and communication across functions as well as across projects”.

Multiproject management is categorized as another instance between the strategy development process and the operational leadership process, as on the one hand the strategy-friendly composition of the project portfolio as well as the related goals, priorities, and resources is shaped by the strategic development process. On the other hand, the concrete implementation of the project process with regard to the strategically formulated framework conditions is guided by the operational management process. The results and interim reports of operational management (operational management process and business process) are in turn of paramount importance for multi-project management in terms of interactions with other projects as well as for the management and monitoring of the strategy-oriented portfolio. In addition, every project initiative—which is also developed by the operational management in the bottom-up approach—is evaluated against the background of the strategy contribution and consequently prioritized or rejected (Wollmann, 2002). The multi-project management as a link between the two mentioned management processes is considered to be expedient in this paper. Despite the importance of the interplay between the strategic and operational perspectives, Müller (2010) appeals for an extensive unbundling of the two system levels in order to avoid problems resulting, among other things, from the different system speeds and divergent impact chains. For example, he points out that on an operational level situations are constantly occurring that require quick and up-to-the-minute action, and conversely, a change in strategic planning is made only in a quarterly cycle. By unbundling the systems, the degree of detail of the planning, the use of instruments and methods as well as the reaction time to the individual project phases and processes as well as the system speed are adjusted.

**Multi-Project-Management in Hospitals**

Projects aim at necessary changes and are effective tools for the advancement of organizations (Dai & Wells, 2004; Hoppe, 2015). In order to ensure rapid and sustainable adaptation to changing conditions in the hospitals’ developments and challenges, hospitals are increasingly turning to project work rather than line work.
As a result, projects are becoming increasingly important in terms of their number and scope, and today they are an indispensable part of day-to-day hospital work. Due to the changed general conditions of the hospitals, publications assume that the importance of project management is increasing (Srivannaboon & Southall, 2011). This is reflected above all in the increase in the number and volume of projects in order to accelerate the further development of hospitals required by the listed changes on the basis of projects (Sterrer & Jakolitsch, 2015). However, the importance of project management in hospitals has not yet been fully empirically demonstrated. The majority of studies with a hospital-specific focus primarily focus on operational management issues such as human resources, cost reduction, etc.—very few scientists focus on hospital project management, especially with a strategic focus (Srivannaboon & Southall, 2011). However, for example, hospital-specific publications with the topic “Project Management” examined the implementation of IT projects (Böckmann & Akce, 2011; Kamp & Schreier, 2012), the management of innovation processes at the project level (Schultz, Zippel-Schultz, & Solomon, 2009) as well as strategic projects in the healthcare sector (Srivannaboon, 2009), who can already provide initial indications of the importance of project management in the hospital. The study by Böckmann and Akce (2011), for example, points to the importance of project management, as it emphasizes the high degree of dissemination of project work. In fact, 79% of employees in the IT department said they had actively participated in an IT project last year. More than 60% of the respondents already worked in more than five projects. Schultz, Zippel-Schultz, and Solomon (2009, p. 20) highlighted the importance of systematic project management in the successful implementation of innovation projects. Furthermore, Sa Couto (2008) demonstrates that hospital-adapted project management reduces costs and also reduces further costs due to quality improvement. Practice-oriented publications reveal the implementation of a professional (Steerer & Jakolitsch, 2015) or stringent project management (Brandstädter, Ullrich, & Resing, 2014) as a critical success factor in the further development of hospitals, so that from the perspective of hospital practice of a high priority project management can be expected. Overall, Rosacker, Zuckweiler, and Buelow (2010) summarize the state of scientific literature on the topic as follows: “a review of the healthcare and project management literature reveals a few empirical studies that consider the application of project management concepts to healthcare settings” (Rosacker et al., 2010, p. 38). Cross-industry research on this topic clearly points to the growing importance of project management (Lange, 2008). A study by Deutsche Bank Research published in 2008 illustrates the relevance of project-based activities by forecasting their share of total economic value added at 2% in 2007 and already 15% in 2020 (Deutsche Bank Research, 2008). In addition, further studies show that the corporate project management plays an important role in companies. For example, a study from 2010 confirms that as many as three quarters of the companies surveyed use project structures (Rump, Schabel, Alich, & Groh, 2010). Techt, Schumacher, and Stix (2011) state that projects account for more than 50% of the company’s value creation, and not only in traditional project industries such as IT industries, consulting firms and plant engineering. Patzak and Rattay (2009) justify this with the fact that line organizations and service companies are increasingly focusing on project orientation due to the increasingly complex environment. It can be assumed that this trend does not stop at the hospital system. All in all, it can be stated that a large number of publications regard project management as a decisive factor for success in increasingly fiercer markets and growing organizations (Belout & Gauvreau, 2004; Gassmann, 2006) and for the successful implementation of projects (Besner & Hobbs, 2012; Jiang, Klein, Hwang, Huang, & Hung, 2004; Zippel-Schultz & Schultz, 2011). It also points out that projects are considered the most efficient way of organizational change and innovation (Voss, 2012; Stare, 2011; Tidd & Blessant, 2001):
• Dynamic change processes require flexibility
• Increasing system complexity requires division of labor
• Concentration on core competences
• Increasing specialized knowledge

Impact of the Specifics of the Hospital Market on Multi-Project Work

The specifics of the hospital market, on the one hand, have an impact on the time and content of the project objectives and project implementation, against the background of state control. On the other hand, the organizational specifics have an influence on the management of projects and the mechanisms within the project work, such as cooperation. In Germany, the hospital is subject to extensive government regulations and these have a direct influence on the project work. For example, there is a need for extensive knowledge about the limits of the supply structure of hospital services, which must be considered in the projects in the development of measures to achieve the goals. Often the derivation of business maxims, concepts as well as solutions are not sufficient, because on the one hand health goods have characteristics that justify a market failure and prohibit the market and competition as a control principle, and on the other hand, there is often a discrepancy between the claims to the legally prescribed and competition-oriented remuneration system DRG and to the sovereign hospital planning. This inconsistency can be illustrated by various legal innovations, such as the dissolution of the service sectors by the integrated supply (Ebsen, 2007). The options of a short-term strategic adjustment of the service portfolio by z. For example, changes in regional utilization or the possibility of market shuffling are necessary for the hospitals in order to account for the practical consequences of the political developments envisaged, but cannot be implemented due to time-inflexible and detailed performance planning in the form of hospital planning (Kortevoss, 2007). Thus, project objectives and project measures may be under the dyno of the health policy framework and have less scope for project design than other companies. The restrictive financial conditions and the economic situation of the hospitals also limit the existence or amount of project budgets considerably. As a result, 49% of hospitals see themselves confronted with insufficient project resources in necessary restructuring measures, which are perceived as a permanent task and without exception processed with a high degree of intensity (Roland Berger, 2015). In further studies, the lack of resources in the hospital was shown to be the most common cause of obstacles in projects (Böckmann & Akce, 2011) or as a limiting factor (Rosacker et al., 2010).

Conception of a Multiproject Management in the Hospital

The following briefy describes the individual elements of multi-project management, which form the basis of the concept for hospital-specific multiproject management: multiproject planning, multi-project implementation, and multi-project control.

Multi-Project Planning

Multi-project planning is primarily concerned with the development of the project portfolio by first presenting the strategic planning framework and configuring a hospital-specific project portfolio. Subsequently, as part of risk management, the portfolio risks are identified in a continuous process, analyzed, backed up with appropriate measures and controlled. The projects are evaluated and prioritized according to defined criteria and selected under resource-oriented aspects. The resource management then distributes the strategic project budget to the respective projects, taking into account a bottleneck-oriented resource planning.
Multi-Project Implementation

The multi-project implementation shapes the organizational framework conditions of the hospital in order to promote the development of organizational competencies and thus support the implementation of individual projects and the implementation of multiproject management. Organizational competences are built by creating structural and cultural frameworks and promoting organizational learning (Schreyögg & Kliesch, 2003). The structural framework conditions are presented in particular by the standardization and structuring of processes, the uniform use of a Project Management Information System and a database, as well as the anchoring of a project organization form and the multi-project management in the Organigram. The establishment of a strong project culture creates the conditions to meet the increasing importance of projects in the hospital. It also promotes organizational learning in the organization by creating structures and learning processes that allow project organization and multiproject management to “learn”.

Multi-Project Control

As a third and final element of the multi-project management, the multi-project control and implementation is described after the multi-project planning and implementation. The multi-project control ensures that the goals of the projects and the project portfolio are achieved by conducting a strategic premises check in addition to the operational and strategic implementation control. The prerequisites for this are extensive reports in the form of recorded values and key figures of the individual project management, which lead to aggregated information and reports at the portfolio level. In addition, the prerequisite for multi-project control is provided by analyzes of project interdependencies and the (multi) project environment as well as a review of the strategy conformity of the portfolio’s projects. The results of the multi-project control provide the basis for decisions on the development of the project portfolio in the context of control and lead in addition to project acceptance and termination decisions and a priority change to different coordination services between the projects in the context of conflictive and synergetic dependencies. Overall, the result of project prioritization and selection creates the basic prerequisite for multi-project control and control (Krahn & Schmidt, 2008), since this cannot take place without planning the project landscape (Daum, 2008).

Discussion and Conclusions

It is increasingly necessary to demand that multi-project management be understood as the holistic management of a project landscape through a coordinated interaction of strategies, processes, methods, structures, and culture. In addition, in a first step, the current status of multi-project management and the associated elements and tasks should in future be determined empirically by B. Multi-project managers in hospitals can be questioned qualitatively or quantitatively. In a further step, it would then be necessary to clarify empirically to what extent existing multiproject management contributes to the project and company success of the hospital, with the goal of identifying the decisive levers for successful multi-project management. However, this would require a multi-dimensional construct to evaluate success in the hospital, e.g., B, by the formation of a multiproject management performance index, to be worked out. Basically, the stronger focus of the hospital market in studies on business management issues is desirable in order to create industry-specific concepts on this basis.
References


