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Strategizing and Project Management in Construction Projects: An Exploratory Literature Review

Strategizing
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253

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Abstract

Purpose – The study aims to investigate the concept of strategy-as-practice in construction management literature has been investigated. The focus is on the link between strategizing practices and project management.

Design/Methodology/Approach – An exploratory literature review is carried out based on fifteen journal articles on strategizing practices in the construction industry.

Findings – The analysis shows how strategy-as-practice questions and contradicts project management practices as depicted in the dominant deterministic perspective. Strategy-as-practice has a focus on reacting and adapting to a chaotic and changing environment, while project management is concerned with creating and maintaining a stable working environment. The findings point to the necessity of considering the organizational and institutional context of project management practices, and hence the values the strategy-as-practice lens, when considering new avenues for improving the industry.

Research Limitations/Implications – As the study is based on an exploratory literature review of only 15 articles, generalizations should be made with caution. The identified literature is restricted by search words and choice of database.

Practical Implications – The differences between strategizing and project management practices are very clear, and a focus on both may offer insights into how the construction industry could improve its productivity by developing more robust management practices.

Originality/Value – The paper illustrates the benefit of applying a strategizing perspective, which hitherto has been under-investigated in construction management research.

Keywords Construction industry, Practice, Project management, Project-based organization, Strategizing, Strategy as Practice

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1. Introduction

Project management (PM) has traditionally been dominated by a deterministic perspective, which implies the possibility of planning, managing and controlling the construction project phenomena (Padalkar and Gopinath, 2016). Clear roles and responsibilities of the project actors are regarded as the way to ensure efficiency in collaboration (Gustavsson and Gohary, 2012). This approach to PM overlooks how projects exist in an external environment (Kreiner, 1996), which is constantly changing and influencing the original intentions and aims of the projects. While this is no longer a new or controversial insight, we see the deterministic approach as a so-called dominant logic (Bettis and Prahalad, 1995) that still is the norm in the construction industry.

Recently, the focus has shifted toward trying to create a better understanding of the contextual factors that shape projects and project practices. This includes also non-deterministic and explanatory approaches focusing on, e.g. project uncertainty, governance and project portfolio management (Padalkar and Gopinath, 2016).

One such theory or approach is that of strategy-as-practice (SAP). The traditional definition of strategy assumes that a strategy is something organizations own or have, argues Johnson *et al.* (2007), and stresses that in the SAP perspective, strategy is something people do. In SAP, strategizing (or doing strategy as practice) “comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity” (Jarzabkowski and Spee, 2009: 70). With this turn toward practice, research into strategy shifts from a focus on the firm and why strategy is needed, to a concern for people and how they achieve the wanted strategy (Johnson *et al.*, 2007).

Drawing on practice perspective, Söderholm (2008: 81) argues that PM can be seen as an on-going social accomplishment or “everyday struggle to keep projects on track and on schedule” within a given context and that this can shed new light on situations that are normally not included in PM models.

While SAP is a well-established perspective in business management research, it is less used in construction management. On this basis, we ask

- (RQ1) How is SAP and the role of context treated in the construction management literature?
- (RQ2) How can SAP contribute to project management in construction?

2. Method

The paper is based on an exploratory literature review. The literature search was conducted in the EBSCO database Business Source Complete, which covers all disciplines of business. A two-block “free text” search was conducted with a limitation to peer-reviewed journals. The first block containing the phenomena of interest represented by the search words “strategizing” and “strategy-as-practice” (722 hits). Another context block was created using the search words “construction industry” (12,521 hits). A combination of blocks one and two gave seven articles; this was reduced to five articles by removing copies.

The first block was combined with another block containing the search query “project management” (14,662 hits), which gave ten combined hits. Eight of these were concerned with the construction industry, bringing the total of articles up to thirteen articles. In a final quality control of the search, two additional articles were found that were added to the sample, bringing it up to a total of 15 articles.

This search will at a later stage be extended with a snowballing search back and forth Löwstedt *et al.* (2018) “Doing strategy in project-based organizations: Actors and patterns of action”, which puts emphasis on the relation between strategizing and project management.

3. Analysis and Findings

3.1. Strategy as practice and the project-based construction industry (RQ1)

The final result of 15 articles in the search indicates a relatively low interest from the construction industry in the SAP concept. With one exception, all the empirical articles were written within the last six years, indicating a growing interest in the concept.

We divided the articles into two groups comprising empirical articles (11) and theoretical articles (4). The empirical articles were then further divided into three categories depending on the context in which strategizing took place (see Table 1).

The literature illustrates an interest in the difference between the practice of project managing and strategizing as the two practices are difficult to combine owing to their different focus.

In the theoretical articles, Clegg *et al.* (2018) set out to provide an agenda for further practice-based research in project portfolio management. Biesenthal *et al.* (2018) suggest a

Category I, Practitioners under the influence of the organizational context of the firm

(Bhattacharya <i>et al.</i> , 2012)	The growth and change of the firm (strategizing)
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Category II, Practitioners under the influence of the organizational context of the firm and the project.

(Davies <i>et al.</i> , 2016)	The use of dynamic capabilities in a complex largescale project to balance the exploitation of routine and stability (project managing) with the exploration of change and fluidity (strategizing)
(Florice and Miller, 2001)	The complexity of large projects where an environment of robustness and foreseen risk (project managing) and governability of unforeseen risk and uncertainties (strategizing)
(Ju and Rowlinson, 2014)	The official strategy of health and safety is implemented through project management, but locally on site, it is met with compromising and avoidance practices (strategizing)
(Löwstedt <i>et al.</i> , 2018)	The proactive measures of strategy (strategizing) clashes with the pragmatic problem-solving practices of project management (project managing)
(Vit, 2011)	Technical and economic consideration (project managing) can be disregarded in a context with a strong social and ideological support (strategizing)
(Sage <i>et al.</i> , 2012)	A focus on the meso-level of strategizing is required because it provides a vital understanding of how strategies are translated between the level of firms and organizations and the everyday practices on building sites
(Koch <i>et al.</i> , 2015)	Dynamics of projects intersect with the dynamics of the project-based company and the surrounding environment. This impacts on the extent to which particular strategies aligns with other managerial interests

Category III, other

(Comi and Whyte, 2018)	Strategizing is orientation towards the future. The use of visual aids helps this orientation
(Whyte <i>et al.</i> , 2008)	The use of visual tools to manage knowledge in projects for exploitation and exploration of knowledge within the project
(Ling and Lee, 2012)	The use of strategizing to further one's career development

Table 1.
The Empirical
Articles, the Terms
in the Brackets are
the Authors'
Interpretation

value in studying the institutional differences in megaproject and doing this by “taking a cue” from the strategy-as-practice approach. Flood and Issa (2010) suggest that the research practitioner should use strategizing as a step in developing an empirical model. Finally, the use of sensemaking, to create scenarios and narratives as a mean of strategizing, is addressed by (Wright, 2005). He stresses that practitioners working at the periphery of the firm (project manager) tend to construct their strategy by induction rather than the rational strategists at the center of the firm.

This is an indication of how the project can shape the strategizing process of project managers. Several of the empirical articles also discuss the role of the firm. Sage *et al.* (2012) note in their study (on lean construction strategizing) that concepts are continuously translated and transformed during their journey through different contextual settings – and so are people. A group of practitioners working mainly in the firm will thus be working under the influence of the organizational context of the firm, while the practitioners working in projects will be working under the institutional influence of both the firm and the project.

Also, Löwsted *et al.* (2018) and Koch *et al.* (2015) discuss how “project actualities” and “nature of the situated practices which surround” operational strategizing afford project actors’ legitimacy and shape practices. Their findings suggest that the traditional PM focusses on principles of project fulfillment, and a narrow focus on how the project performs according to these, is insufficient and can benefit from a more nuanced perspective of the contextual factors that influence project practices. This is also noted by Vit (2011) who suggests that technical rationality is overridden in certain contexts. Davies *et al.* (2016) illustrate how specific dynamic capabilities, including strategic behaviors and collaborative processes, that are required to deliver complex projects, are based on the ability to balance routine and innovative action in changing and uncertain project environments.

3.2. SAP and a new understanding of project management (RQ2)

The SAP perspective may thus also offer some insights into the opportunities for building construction project teams. In SAP, practitioners are those involved in doing strategy. The strategy practitioner may refer to an individual or a group of individuals (Jarzabkowski and Spee, 2009). This group of practitioners will often be joined in communities of actors or project teams. As Baiden *et al.* (2006) argue, a failure to collaborate effectively in the project teams has been seen as a major cause behind the productivity issue, stressing the need for effective PM.

In the construction industry, a belief in clearly planned and defined project roles and responsibilities as a basis for PM exists. This is, however, contrary to Whittington *et al.*’s (2006) claim that strategizing and organizing run together as a smooth simultaneous activity.

The industry needs to ask itself if the deterministic PM approach focusing on stability could cause a loss of opportunity to develop practices toward better productivity. One way to address this issue may be with the introduction of new organization forms in guise of, e.g. integrated project delivery or strategic partnerships (Gottlieb *et al.*, 2018).

Another approach is that of knotworking, a new form of collaboration which shows promising results (Buhl *et al.* 2017). Results, which offer a more fluid, approach to the matter. Finally, a developing practice, which may link PM and strategizing, is the use of facilitation for changing existing routines to develop practices (Klitgaard *et al.*, 2017)

4. Conclusions

In this paper, we investigated the link between strategizing practices and project management practices. This literature study shows that the role of SAP in the construction

industry is an area of increasing interest and that the literature is sensitive to the practitioners' double obligation; toward their firm and toward the project in which they are involved.

The dominant logic concept suggests that awareness of the primary perspective on practice is necessary. It seems that as long as the determinisitic approach toward PM is so dominant in the industry, it may hinder strategizing practices. Strategizing and project management practice are clearly distinct practices although there is a clear co-dependency between them. We argue that a focus on both may offer insights into how the construction industry could improve its productivity by developing more robust management practices.

This literature study is based on a limited number of articles so further studies are necessary.

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