



Jannis Finn Grüneboom

Resource Planning in Organisational Development Projects

An Analytical and Conceptual Approach

Mandat Campus Band 3

Hrsg.: Prof. Dr. Guido Quelle



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Books on Demand

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Vorwort Prof. Dr. Guido Quelle

Dies ist der dritte Band der Reihe „Mandat Campus“ und es ist der erste Band, der in englischer Sprache erschienen ist. Jannis Grüneboom setzt sich in dieser Master-Thesis, die ihn zum „Master of Science“ führte, mit einem allfälligen Problem der Unternehmensführung auseinander:

„Wie können wir unsere Ressourcen in Organisationsentwicklungsprojekten besser planen und zielgerichteter einsetzen?“

Was wie eine gängige, ja fast triviale Frage klingt, findet mitnichten eine simple Antwort. Zu komplex sind die Einflussfaktoren, zu wenig greifbar erscheinen die Parameter, anhand derer man entdecken könnte, wie viel Zeit – und vor allem um die Zeit der Projektbeteiligten geht es ja – tatsächlich aufgewendet werden muss, um ein bestimmtes Problem zu lösen oder eine Antwort auf eine bestimmte Fragestellung zu erhalten.

Die Folgen in der unternehmerischen Praxis sind vielfältig: Es finden Planungen statt, die bar jeder Grundlage sind, Ressourcenplanungs-Systeme enthalten nicht selten mehrere hundert Überstunden – für einzelne Personen und auf dieser Basis entstehen dann unternehmerische Entscheidungen. Ein Problem, das jeder kennt, der sich substantiell mit der Planung und der Führung von Organisationsentwicklungsprojekten beschäftigt. Dabei stehen „Organisationsentwicklungsprojekte“ stellvertretend für Wachstums-, Restrukturierungs-, Strategie- oder sonstige Projekte, die ein Unternehmen substantiell stärken sollen.

Auch der Verfasser dieser Arbeit kann, soviel sei vorweggenommen, keine magische Lösung finden. Das war

aber auch nicht Absicht dieser Untersuchung, die unter der wissenschaftlichen Leitung von Herrn Prof. Dr. Carsten Wolff von der Fachhochschule Dortmund - University of Applied Sciences and Arts in Dortmund stand und die von meinem Beraterkollegen, Herrn Dipl. Oec. Fabian Woikowsky, dem ich hiermit herzlich danke, und mir fachlich bei Mandat begleitet wurde. Absicht war es vielmehr, ein wenig mehr Licht ins Dunkel der Planung zu bringen, Ansätze zu bewerten und Erfordernisse zu formulieren, die es zu berücksichtigen gilt, will man eine Planung ernsthaft erwägen.

Dies ist vollumfänglich gelungen und der interessierte Leser wird in dieser Arbeit zahlreiche Ideen und wissenschaftlich fundierte Gedanken finden, die ihn dazu führen, die bestehenden Systeme und Methoden im eigenen Unternehmen zu hinterfragen oder sogar neue Vorgehensweisen zu wählen, wenn es um die Planung kritischer Ressourcen in Organisationsentwicklungsprojekten geht.

Insofern ist auch mit dem dritten Band der Reihe „Mandat Campus“ der Spagat zwischen Wissenschaft und Wirtschaft gelungen.

Dortmund, im Oktober 2012

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Foreword Prof. Dr. Guido Quelle

This work is the third volume in the “Mandat Campus” series and the first to be published in English. In this thesis, which Jannis Grüneboom wrote in completion of his Master of Science degree, he addresses a key problem managers are often faced with:

“When it comes to organizational development projects, how can we better plan and optimally use available resources?”

Though at first blush this may sound like a common, almost trivial question, answering it is anything but easy. The contributing factors are too complex, and the parameters for determining how much time – above all on the part of those working on the project – is actually needed to solve a certain problem or find the answer to a certain question seem insufficiently tangible.

This has a number of impacts on day-to-day business: Planning takes place without any meaningful foundation, resource planning systems often stack up several hundred overtime hours for those working in them, and management decisions are then made on this basis – a problem familiar to anyone involved in planning and leading organizational development projects. In this sense, “organizational development projects” represent a broad range of growth projects, restructuring projects, strategy projects, and other projects intended to substantially strengthen companies.

And the author of this work, to make it clear from the outset, does not offer a new “magic solution.” Nor was that the goal of this investigation, which was supervised by Prof. Dr. Carsten Wolff from the University of Applied Sciences in

Dortmund and was further supported by my colleague Fabian Woikowsky (to whom I offer my heartfelt thanks for his valued work) and myself at Mandat. Instead the intention was to shed some new light on the still-dark field of planning, to assess different approaches, and to formulate the requirements that need to be borne in mind if you want to take planning seriously.

Jannis Grüneboom has succeeded admirably in achieving that goal, and interested readers will find numerous ideas and concepts in this thesis that lead them to reconsider the current systems and methods used at their own companies, or even to adopt new approaches to planning the use of critical resources in organizational development projects.

Accordingly, I'm pleased to say that, like its predecessors, the third volume in our Mandat Campus series has managed the delicate balancing act between science and business.

Dortmund, Oktober 2012

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Foreword Prof. Dr. Carsten Wolff

Times are changing. Today's enterprises experience change as the major chance and challenge for their business. The ability to adapt to the changing environment becomes the critical competence for enterprises in a global market. The one who adapts first to a new situation survives. The one who changes the rules of his business wins the market.

Shaping the change in a business area and setting the pace is a major competitive advantage. To handle this change, organizations have to become dynamic and flexible. This flexibility depends on organizational development. Therefore, organizational development projects have strategic importance. They are needed to change the shape of a company and to make the organization fit to this new shape. This change has to be performed fast, effective and efficient. The competence to handle such projects is very important for the competitiveness of a company.

Unfortunately, organizational development projects tend to deal with people, psychology and other intangible assets. That makes these projects difficult to manage and even more difficult to plan. Especially, quantitative methods for project management hardly work on this category of projects. This is prohibiting efficiency in the execution of organizational development projects and in many cases the projects fail. They do not achieve their goal, or if they achieve their goal, they run out of time and out of budget. The application of project management methodology to this kind of projects is an important area of project management research.

Addressing the topic of resource planning in organizational development projects is the main aim of this contribution. Resources - especially human resources - are the main cost driver for organizational development projects. Therefore, the ability to plan the resources properly is crucial for time and budget control in the projects. Obviously, if it is not possible to quantify efforts in such projects accurately, it is very difficult to plan resources. Therefore, the attempt to investigate the application of project management methodology to organizational development projects is highly recommended.

Jannis Grüneboom conducted such an investigation during his Master Thesis on Resource Planning in Organizational Development Projects. This Master Thesis was part of his studies in the European Master of Project Management, a study program conducted jointly by the University of Applied Sciences and Arts Dortmund (Germany), the University of the Basque Country - Bilbao (Spain) and the Norwegian University of Science and Technology Trondheim (Norway). Jannis Grüneboom worked on the topic together with and supported by Mandat Managementberatung GmbH, Dortmund (Germany). This collaboration was the central success factor for the research and led to many fruitful discussions and contributions. The consideration of practical experience and evidence in addition to theoretical findings and analysis makes the result of this research valuable and relevant.

The outcome of the research is not just a simple rule for resource planning in organizational projects. To expect a simple rule would be naïve considering the complexity of the topic. It is a mixture of methods and tools that helps to address the issue of resource planning in such projects. The main finding is the in depth analysis of the characteristics of organizational development projects. Depended on the

specifics of a project a variety of methods can be applied. To lead through the analysis and to collect the relevant methodology is the main contribution.

I highly recommend the consideration of these finding in project management for organizational development projects. This will clearly increase efficiency and it is a good basis for further research on this interesting type of projects.

Dortmund, September 2011

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Abstract

The master thesis at hand considers the topic of resource planning in organisational development projects. In particular the paper focuses on the availability of appropriate resource planning approaches applied at present by dealing with the interrogation "Are there effective and efficient project resource planning approaches with regard to organisational development projects - What are the strengths and weaknesses of the approaches obtainable?" The question is discussed on the basis of an analysis of the general project management literature and an analysis of practical organisational development projects conducted in the past by Mandat Managementberatung GmbH. With regard to the analysis of the literature and the exemplary, practical organisational development projects it turns out that organisational development projects are affected by numerous factors ending up in a project effort, which is unquantifiable and thus limiting the resource planning to the application of lessons learned and expert opinions. In the further course of the investigation it turns out that the resource planning should be limited to critical resources and seems to be based on lessons learned as well as the expert opinion. Furthermore, it is affected by the implementation of time buffers. The buffers implemented are potential reasons why the Project-Life-Cycle (PLC) of numerous organisational development projects is extended many times over compared to the actual project duration. Due to this fact, the paper seeks to elaborate project resource planning attempts helping to decrease the total buffer proportion for increasing the effectiveness and efficiency of the project resources applied.

1 Introduction

At the beginning of the 21st century the economy has accelerated on all levels caused by an increasing internationalisation of the markets and a consequent rise of competition. Today there are no signs that this dynamics is going to mitigate. Companies of all types of branches have to meet the challenge to organise their daily business under the paradigm of a continuous change (Holste, 2009, p.43). As a consequence, organisations have to review and adjust their strategic position and their related strategic way of acting (Kirsten, 2007, p.116; Schneider, 2011). For establishing a competitive market position in the long-term, effective process networks and flexible as well as adjustable organisational structures are essential. Reduced planning security caused by a linkage of pressure of competition, costs and innovation leads to the fact that organisations, which can adjust their resources in a flexible way, increase the probability to generate and exploit benefits earlier than its competitors (Holste, 2009, p.43). At increasing intervals project customers require flexible resources. Decreasingly, the demand seems to be able to be served by the line organisation (Holste, 2009, p.44). One tool to cope with the changing environment is project management. Nowadays organisations have an emphasis on not wasting resources and to perform as efficient as possible. It is related to the occurrence of new competitors and the fact that resources are limited within an organisation (Kerzner and Saladis, 2009 p. 169). Hence, organisations need to dedicate their resources to projects that make a competition-relevant difference and generating a benefit compared to its competitors (Litke, 2007, p. 17).

Nowadays, products and processes have to be implemented more and more fast (Marek, 2010, p.58), which is related to an acceleration of the Product-Life-Cycle (Loock and Steppeler, 2010, p. 133). According to the changing environment the internal structures, processes, strategies and goals have to be adjusted to the new conditions continuously. In addition, demand changes, alterations related to the supply chain, modified regulations and the occurrence of new competitors also cause activities that have an effect on the actual organisation (Marek, 2010, p.58). These issues affect the staff, the management, information and communication structures as well as the culture of the organisation (Bullinger et al., 2003, p. 610). All in all, these facts result in the necessity to implement organisational development projects, which are applied if an organisation has to deal with the implementation of a new respectively adjusting an existing business strategy to attain the set goal how the organisation will look like for growing profitable to serve the demand in the future (Marek, 2010, p.64).

A project can be extensive and hence complex. Increasing complexity can lead to the fact that failures, which were independent at the beginning, become interrelated. High complexity and interdependencies raise the probability of occurrence of interruptions (Lutzky, 2007, p.6). Based on information regarding IT-Projects published by the Standish Group in its "CHAOS Summary 2009" exemplarily, just 32% of the projects conducted were successful regarding delivering on time, on budget with the required features and functions. "44% were challenged which are late, over budget, and/or with less than the required features and functions and 24% failed which are cancelled prior to completion or delivered and never used (The Standish Group, 2009)." Reasons why projects fail are multilayered.

Aspects that are bandied about for project failures are (Kerzner, 2008, p.418):

- Schedule failures,
- Lacking availability of resources,
- Incorrect effort estimates,
- Planning is based on estimates rather than accurate data.

The aspects listed above in the enumeration depict one similarity according to the opinion of the author. They all seem to be related to project planning respectively project resource planning in particular, due to the fact that the resource planning allegorises the potential basis for the effort estimates and establishment of schedules (Demleitner, 2009, p. 144). Lacking availability of resources is one potential consequence of failures in the planning process, too.

Potential reasons why project resource planning could be one major aspect of project failures are ignorance and lacking theoretical foundations of project planning approaches. Difficulties in practice are often related to difficulties in the literature (Beck, 1995, p. 18). Based on the previous statement and the points mentioned in the enumeration, the purpose of this Master Thesis is to challenge the project management literature regarding project resource planning and to give an answer to the question "Are there effective and efficient project resource planning approaches in organisational development projects - What are the strengths and weaknesses of the approaches obtainable?"

2 Methodology

In the context of the master thesis at issue regarding the topic of “Resource planning in organisational development projects” the question “Are there effective and efficient project resource planning approaches with regard to organisational development projects - What are the strengths and weaknesses of the approaches applied?” is going to be answered. The scope of the thesis comprises 8 chapters. [Chapter 1](#) and [2](#) contain the introduction and the methodology. The introduction constitutes the framework of this paper by describing the general and environmental factors that have caused the initiation of this elaboration, whereas the methodology explains the proceeding for establishing the thesis. The passage including paragraph 3 and 4 constitutes the basis for the interpretation of the common project management literature. Both discuss the terms mentioned in the heading. The definitions and related delimitations are required to create a common understanding of the wordings used in the context of this elaboration. Moreover, the definition and delimitation of the terms allegorise the basis for the analysis for answering the opening question. [Chapter 3](#) defines and delimitates the terms related to the topic of organisational development projects and points out the major characteristics as well as difficulties. Section 4 puts the emphasis on the areas of resources and planning. The definition and delimitation of the terms resource and planning constitute the foundation for the subsequent illustration of potential resource planning approaches presented in the common project management literature. Afterwards, the function of defined roles and responsibilities is discussed. In conclusion [chapter 4](#) specifies the effects of an organisational development project on the project portfolio-mix of an organisation for

illustrating the effects of such a venture on the entire organisation.

The paragraph regarding the literature depicts the basis for the following analytical respectively practical part. In the scope of this section, the focus is on the analyses of practical examples of organisational development projects and the identification of the resource planning methods applied.

Segment 5 and 6 grapple with resource planning related to practise. [Chapter 5](#) presents three examples of organisational development projects and identifies the characteristics of the resource planning approaches applied. This paragraph tends to point out similarities respectively differences among the approaches given by the literature and resource planning in practice. Deduced from the perceptions generated in [chapter 5](#) of this master thesis, paragraph 6 contains the establishment of resource planning approaches that tend to fill potential gaps, which are possibly identified during the analysis. [Chapter 7](#) and [8](#) constitute the finalisation of this thesis. In this scope a summary is established that allegorises a potential support when conducting a project resource planning. The summary puts the emphasis on the illustration of activities that might support a project resource planning and reveals aspects, which can interfere a project resource planning. The abstract contains all major information gathered in the scope of the master thesis at hand. The thesis is closed by the general conclusion and an outlook regarding possible fields of research with reference to the resource planning in organisational development projects.

3 Delimitation and Definition of Organisational Development Projects

In the scope of this master thesis regarding the resource planning in organisational development projects, [chapter 3](#) at hand deals with the definition and delimitation of organisational development projects. Due to the fact that “good science has to begin with precise definitions (Neergaard and Ulhoi, 2006, p.35)”, all relevant terms are discussed in detail before the analytical part, starting with [chapter 5](#), is initiated. The terms are defined in particular and how they are used in the context. In particular, paragraph 3 discusses the ideas of strategy, projects, development and organisation.

3.1 Definition and Implication of Strategy

The paragraph at hand discusses the understanding of the term strategy. References regarding the timely horizon and the implementation of a strategy are made. Based on these preconditions the wording of strategy is defined and delimited concerning its application in the scope of this elaboration.

In the literature the term strategy is ubiquitous, but a consistent way of usage is missing. In the scope of this elaboration it is important to have a consistent understanding of the term strategy, especially when discussing the topic of resource planning in organisational development projects. Within this chapter it is stated that strategy in general allegorises a pattern, respectively a way, how an organisation achieves its goals. Strategy is an approach, which constitutes the frame for the activities