

Projectification in western economies: a comparative study of Germany, Norway and Iceland



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KEYWORDS

- Projectification
- Projects
- Project management

Article Highlight:

This paper tests and confirms a common assumption that projectification is increasing in companies, economic sectors and whole economies in the western world. The research presented contributes to making the term 'projectification' a fact based on sound empirical evidence.

What does the paper cover?

The term projectification was first used in 1995 by Christophe Midler, who observed that 'ordinary work' was increasingly being carried out as defined projects. Many more articles have been written on the subject since then. This paper looks at the outcomes of three recent comparative studies in Germany, Norway and Iceland which aimed to quantify how much projectification was taking place in those countries.

The study was carried out in four steps:

- A measurement for the degree of projectification was developed that could be compared to the gross domestic product in an economy. 'Project' was defined as a non-routine task with a clearly specified target and with a minimum duration and participants. Projectification was then measured as the share of project work in an organisation.
- The authors used the measurement to collect representative data from a random sample of 500 private and public organisations in Germany covering six economic sectors.
- The study was then repeated in Norway (1,412 organisations), using a web-based survey, and finally again in Iceland (142 organisations).

The three countries studied indicate that the current degree of projectification in western economies is around 30 per cent, which means that roughly one third of all economic activities are carried out in the form of projects.

The studies also showed that, in all three countries, most projects are internal ones and therefore not noticed by the public. The more visible, external projects represented only a small portion of projects; between 16 per cent and 22 per cent

Methodology:

The authors developed a formula to measure the share of project work on total work (in working hours) in an organisation. The same formula can be applied to all types of projects, including both external projects and internal change projects, and can also be applied to all kinds of industries regardless of organisational factors such as size and structure.

In the original study of organisations in Germany, data was collected by way of telephone interviews. In Norway and Iceland, data was collected using an online survey, with a few telephone interviews taken in order to test whether the questions were well understood by the respondents.

Research findings:

The three studies show that the share of project work in advanced economies is about one third, even where there are differences between individual countries' size and industry structure.

The results also confirm that projectification has increased over time and estimates of projects to come show that it will continue to do so.

Conclusions:

Project work is a widespread phenomenon in all sectors of western economies and is increasing.

Significance of the research:

The results of the study can help raise awareness of the growing importance of projects and project management. It shows that projectification is a widespread phenomenon in all economic sectors in western economies.

The fact that the majority of projects are internal ones may direct the attention of project management research to the large variety of internal projects instead of focusing mainly on external projects.

The study can also be helpful for project management practitioners in gaining the ear of decision makers in industry, politics and society by providing solid data to back up arguments.

Comments from authors:

In a time of ongoing projectification in all parts of industrial sectors, but also in private and societal life, it was necessary to add a measurable size to this new form of business organisation to raise the awareness of decision makers both in industry, politics, media and scientific research for this new projectification phenomenon. Our study provides for the first time concrete figures about the amount of project work throughout all industrial sectors and areas. That the results in all three countries are quite similar was a surprise, but shows that developed national economies show similarities despite large differences both in terms of the size of the economies and local industries.

Professor Yvonne Schoper

I hope our results will be helpful for arguing the importance of projects in organisations and in society. For those actively working in, or doing research on, projects this does not come as a surprise. But for those ignorant about the importance of projects, figures like one-third project work on total work in the entire economy should be convincing enough.

Professor Dr Andreas Wald

Even if we acknowledge that "not everything that counts can be counted, and not everything that can be counted counts", we know that in order to understand the importance of something, it can be really helpful to look at it in a concrete and measurable way. For instance, when I teach quality management, the discussion is often rather subjective until the concept of quality cost is introduced. I have had the same problem when teaching project management, but not anymore. I am now able to explain in a clear and measurable way to my students – and to people in my society – how much we all have at stake to prepare and execute our projects in a professional way.

Professor Dr Helgi Thór Ingason

Gradually project management has developed from being a normative method for planning to be a profession with well-documented competence baselines and codes of conduct. In spite of the increased impact of projects, both in private industries and the public domain, the accomplishment has hitherto principally been measured in the number of certificated project managers and the amount of related publications. This publication recommends for the first time a method that can be universally applied to measure the economic impact of projects. Measuring the economic significance of a profession is instrumental to decide strategic and tactical emphasis for organisations, institutes and businesses of all categories.

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Complete article

The original version of this article was published in the International Journal of Project Management, Vol number 36.1. Y-G Schoper, A Wald, HT Ingason, TV Fridgeirsson (2018) pp. 71–82. It can be accessed via:

<https://www.sciencedirect.com/science/article/pii/S0263786317306348>.

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Glossary:

Projectification:

a development in the workplace where tasks are increasingly carried out in the form of projects and less as 'ordinary' lines of work.



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