UNIFORMITY OF THE ORGANIZATIONAL CULTURE VARIABLE AND THE PMI OPM3

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Session #

PMI® Global Congress LATIN AMERICA 2008

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Important Rules

1. Let's have a good time
2. Lecturer does not know everything about this topic and neither pretend to exhibit that he knows everything about it
3. PLEASE share your experiences

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About Carlos Colón Riollano

- Project Management Practice Director for Nagnoi, Inc (a consulting firm in Puerto Rico dedicated to Project Management, Business Intelligence and Executive Advisory).
- Finishing doctoral degree (PhD) in Organizational Management
- Master in Business Administration (MBA)
- Solid background in project management, planning and implementing technology related solutions in several business areas: servicing, manufacturing, government, and petrochemical complex.

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About Carlos Colón Riollano

- Regular speaker for many (local and national) project management, audit, information technology, and quality professional association activities.
- PMI 2003 Global Congress speaker.
- Founding member and former Vice-president of Project Management Institute (PR Chapter) 1998 – 1999.
- First Latin-American to obtain the PMI Organizational Management Maturity Model (OPM3) certification.
  - PMI Certified OPM3 PMI Assessor/Consultant
  - Project Manager Professional (PMP)
  - American Society for Quality (ASQ) Certified Quality Improvement Associate
  - MS Project 2007 Certified (MCTS)
  - Capability Maturity Model Implementation Certified (CMMIC)

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Agenda

- Statement of the paper
- The Organizational Project Management Maturity Model (OPM3)
- Organizational Culture
- The Organizational Culture Assessment Instrument (OCAI)
- An “updated ” OPM3 conceptual framework and improvement path
- Presentation wrap up

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Statement of the presentation

- PMI, as well as many other quality-driven organizations, encourages the continuous improvement of their standards.
- Adding the organizational culture variable to OPM3
  - More comprehensive status of the organization
  - Better improvement path
  - Superior strategy
  - Better understand the organization's current reality

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Statement of the Opportunity

- The essential opportunity addressed by this presentation is the **exclusion of an important piece of qualitative data** from the OPM3 assessments. These qualitative data could help the OPM3 practitioner better understand the organization's current status as part of the PMI OPM3 implementation readiness.

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What the PMBoK says about OPM3?

"This standard (the PMBoK) address **ONLY SINGLE PROJECTS** and the project management practices that are generally recognized as good practice. There are other standards on **organizational project management maturity**, project manager competency, and other topics that address what is generally recognized as good practices in those areas (PMI, 2004)"

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Organizational Maturity Model Concepts

- **Maturity** entail a state or condition of being fully developed, ready or perfect (Oxford English, 2006)

- A **Model** is a framework organizations may use to identify, establish, and maintain required capabilities (PMI, 2003)

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Organizational Maturity Model Concepts (Cont.)

- A **maturity model** may include:
  - methods to facilitate appraisal or evaluation
  - methods to identify deficiencies or insufficiencies
  - representations of improvement paths

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OPM3

- OPM3 helps organizations to focus into the right direction toward a better project management environment, plus it enable organizations to **do the right projects the right way** in a dynamic and global economy

- OPM3 may be employed by any “organizations”

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There are other Popular Maturity Models

- Capability Maturity Model Integration (CMMI)
- Prince
- Trillium
- Balanced Scorecard
- Project Management Maturity Model
- ESI Project Framework
- Malcolm Baldrige Quality Award

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OPM3 a strong foundation

- Has a strong foundation based on research, including 27 contemporary maturity and improvement models
- Was developed with the widespread participation of the PM community
- Was developed with contribution of over 800 professionals from over 34 countries
- Is aligned to the *PMBOK® Guide*

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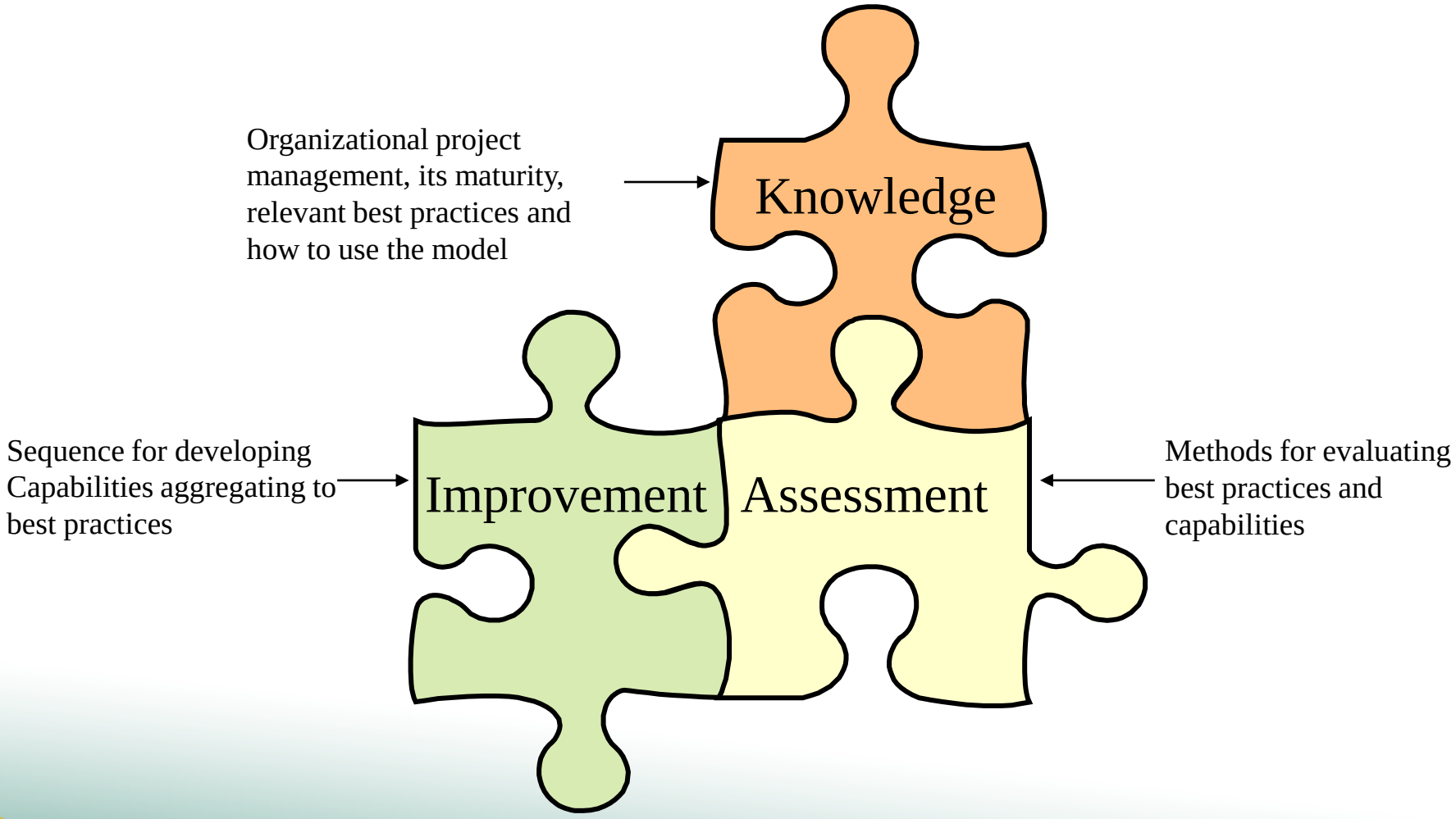
OPM3 Dimensions



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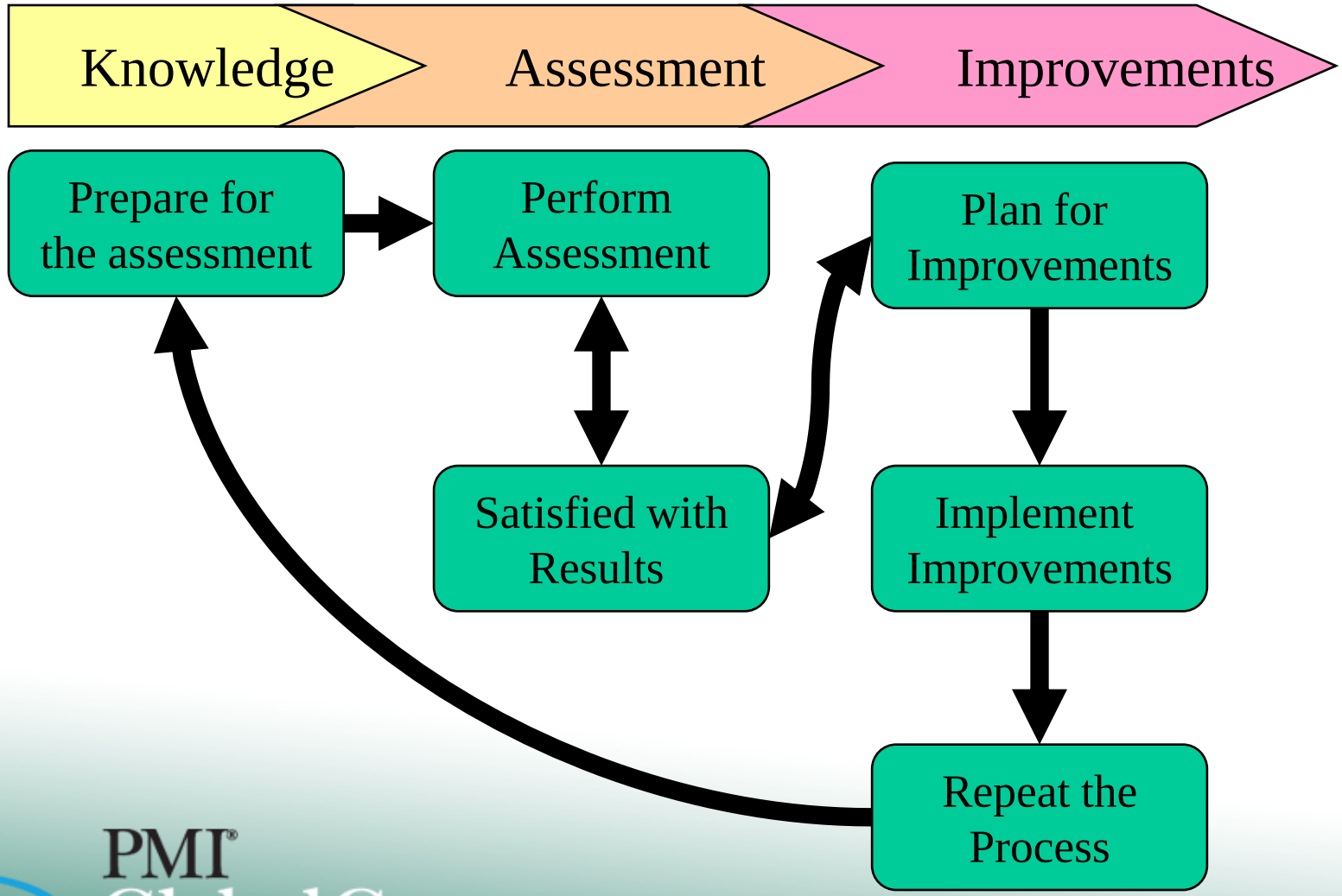
OPM3 Conceptual Framework



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What is really being measured?

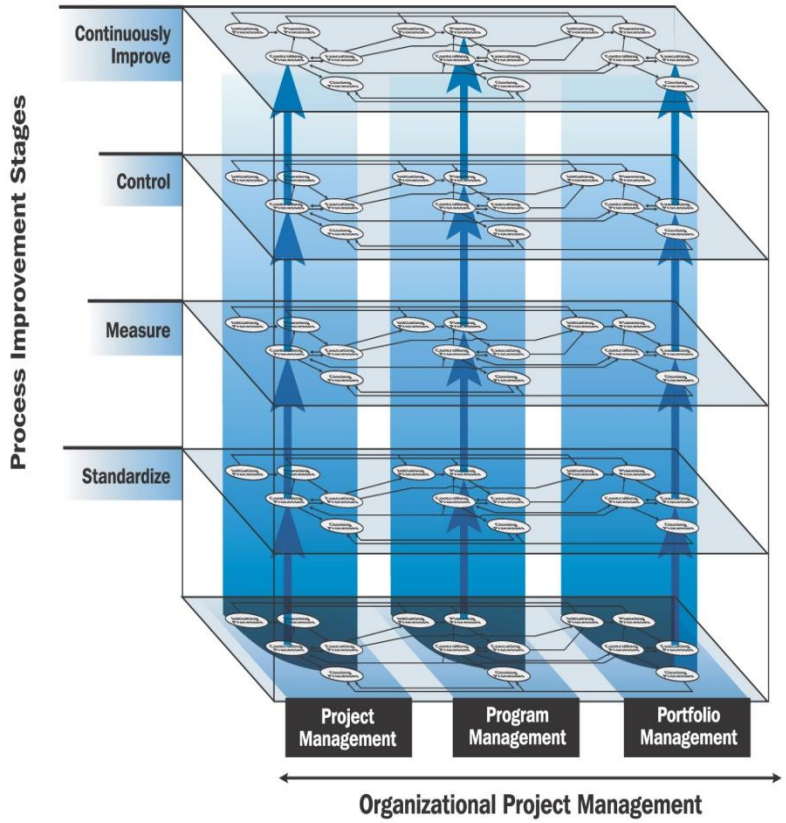

Figure 4-4: OPM3 Process Construct

Organizational Project Management Maturity Model (OPM3™). ©2003 Project Management Institute, Inc. All rights reserved.

The degree to which OPM is practiced

Maturity in three domains and four stages of process improvement

Organizational enablers

The organization's practice versus best practice

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The OPM3 Assessment

- Is a binary instrument (YES/NO)
- They are not sorted in an specific form, neither identify to what domain, stage or project management process is mapped.

Example:

- Does your organization set a strategy to retain knowledge of internal and external resources? YES or NO

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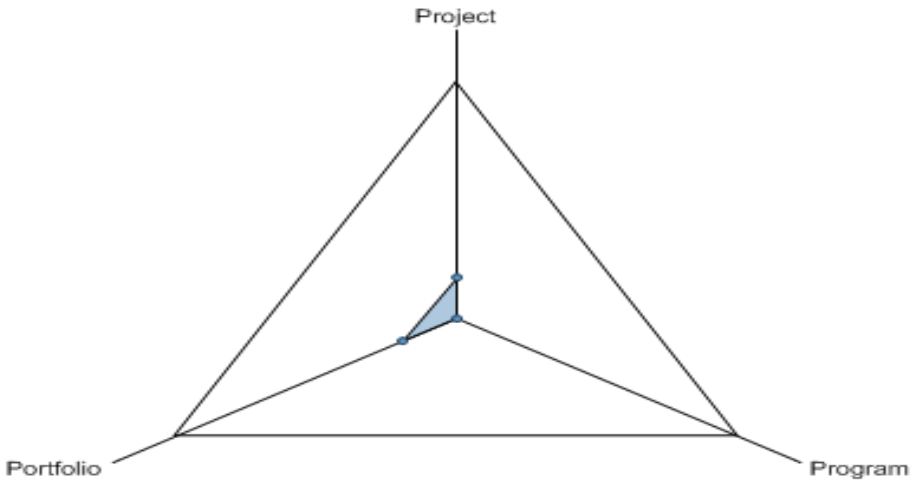
OPM3 Assessment Results

My Data	
User	My Data
Iteration	Nagnoi (Imported) (2)
Benchmark New Filter	
Benchmark User	My Data
Benchmark Iteration	Nagnoi (Imported) (2)

My Data

	Project	Program	Portfolio	
My Data	17%	0%	19%	

Scores			
	Project	Program	Portfolio
My Data	17%	0%	19%
Benchmark Mean	17%	0%	19%



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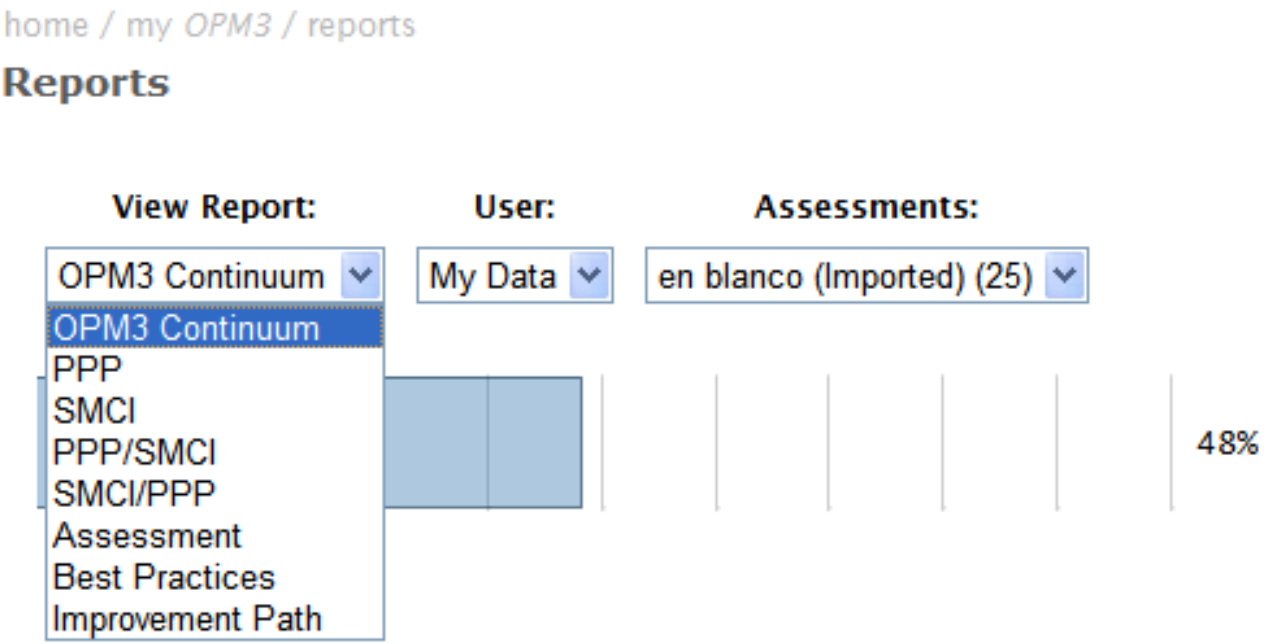
OPM3 Assessment Results



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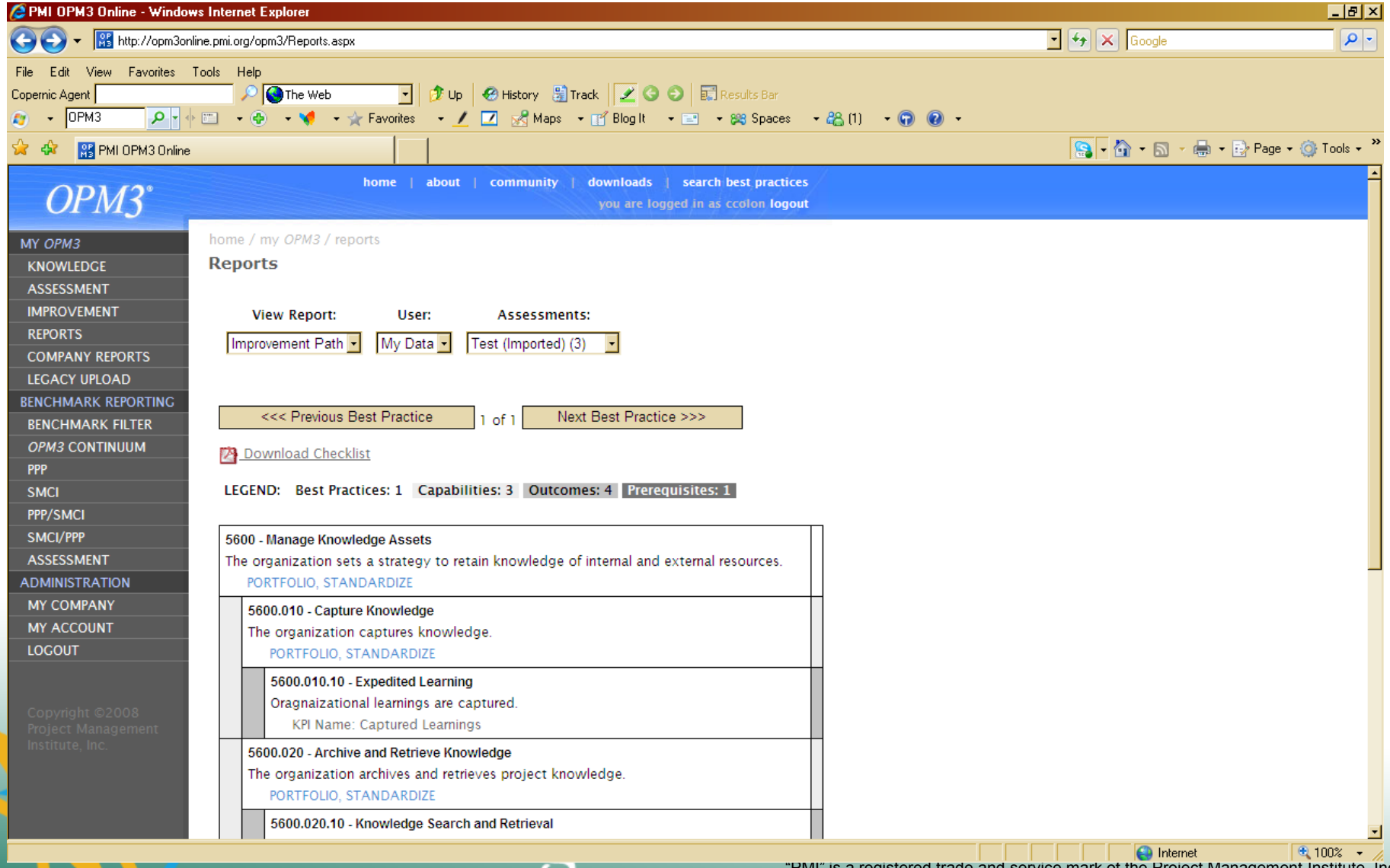
The Improvement Path Report



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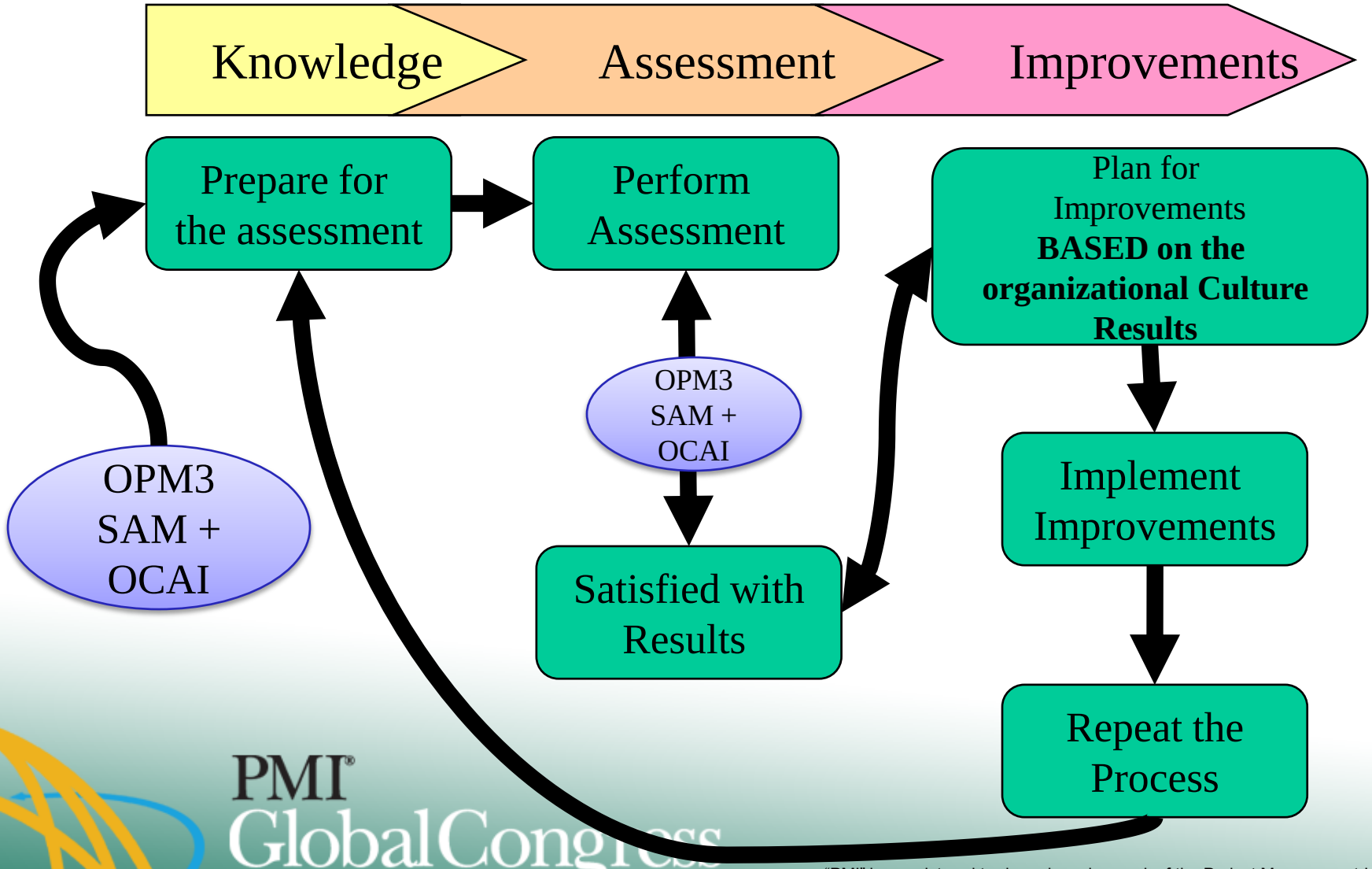
“Updated” OPM3 Conceptual Framework



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What is the Organizational Culture?

This is a set of **shared values and norms** actively control how organizational members interact internally and externally with suppliers, customers, and other groups outside the organization (Jones, 2004).

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What is the Organizational Culture?

This is the **shared, basic assumptions learned by a group** as it solves its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the **correct way to perceive, think, and feel** in relation to those problems (Schein, 2004).

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Organizational Culture Importance

Organizational culture can play an important role in:

- ✓ achieving competitive advantage
- ✓ increasing organizational effectiveness
- ✓ improving competitive position

(Schein, 2004)

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Organizational Culture Importance

- For the two decades the three most common organizational change initiatives implemented were: Total Quality Management, downsizing and reengineering (Cameron, 1997).

- Several studies reported that 85% of these organizations found little or no gain from these efforts.

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Organizational Culture Importance

- It was found that without another of fundamental change (organizational culture) there is little hope of enduring improvement in organizational performance.

- Cameron and his colleagues performed empirical studies in more than one hundred organizations that engaged TQM and downsizing and **organizational cultural was key** for **effectiveness, improvement, performance** and **permanence**.

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What is the Organizational Culture Assessment Instrument (OCAI)

- OCAI is an acronym for the Organizational Culture Assessment Instrument. This is a questionnaire or instrument for diagnosing important aspects of an organization's underlying culture (Cameron & Quinn, 1999).
- The instrument is based on a theoretical model named the Competing Values Framework.
- The Competing Values Framework is an **empirically derived framework** which has found to be useful for indentifying the major approaches to organizational design, stages of life cycle development, organizational quality, theories of effectiveness, leadership roles and management skills.

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But why the OCAI and OPM3?

- Is a **binary instrument** (Now and Preferred)
- This instrument, designed by Professors Kim Cameron and Robert Quinn consists of **six questions** (dimensions), each composed of **four alternatives**.
- Is useful in determining the degree to which an organization's culture supports its **mission, goals and strategy**.
- Is **quantitative & qualitative** since the process rely on quantitative measures of key cultural dimensions and well as qualitative methods including anecdotes, stories, incidents and symbols.

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The Instrument

1- Dominant Characteristics		NOW	PREFRED
A	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B	The organization is a very dynamic entrepreneurial place. People are willing to stick their necks out and take risks.		
C	The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented		
D	The organization is a very controlled and structured place. Formal procedures generally govern what people do.		
	TOTAL	0	0
2. Organizational Leadership		NOW	PREFRED
A	The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.		
B	The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.		
C	The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		
D	The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.		
	TOTAL	0	0

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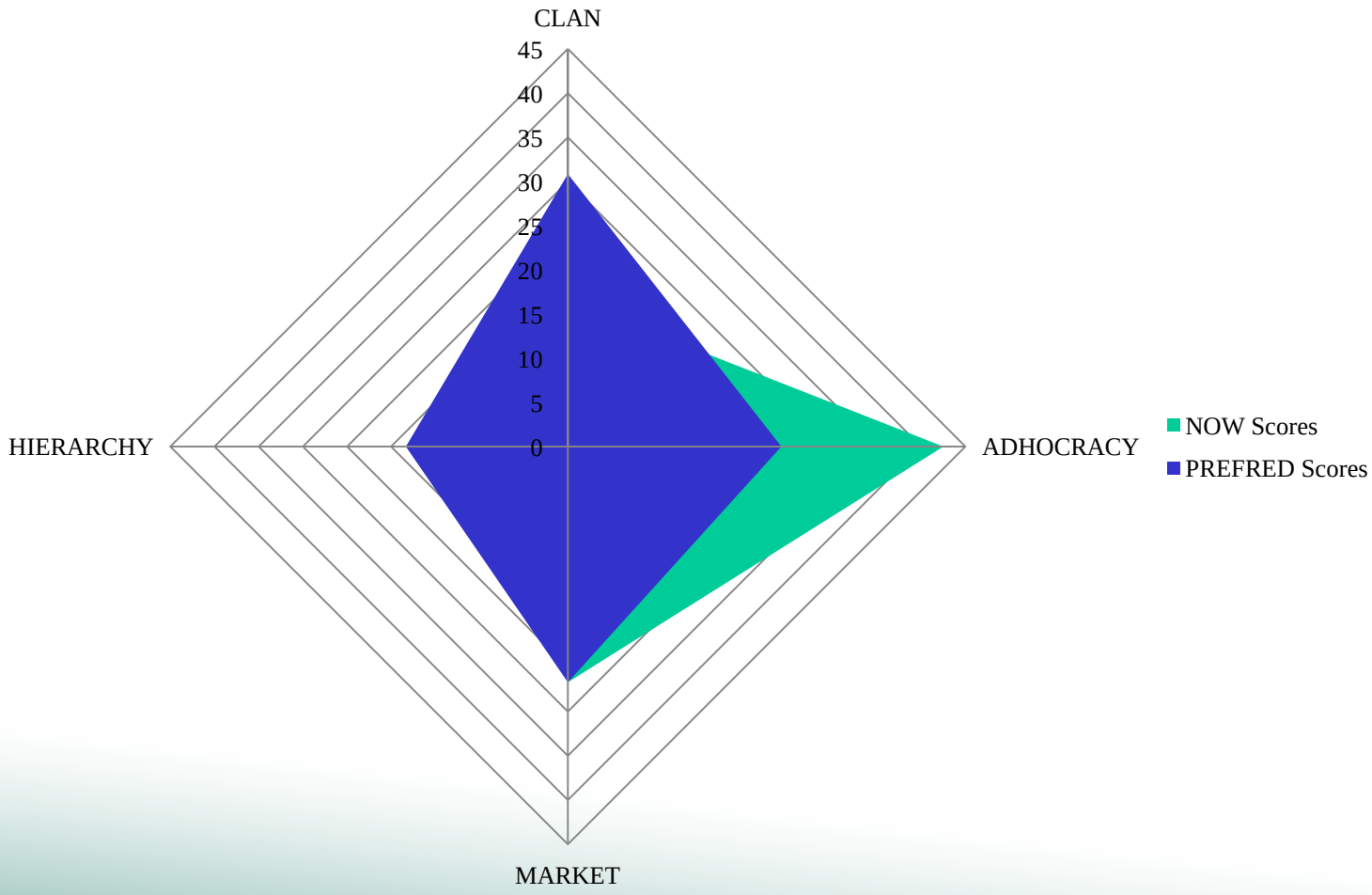
OCAI Sample Results



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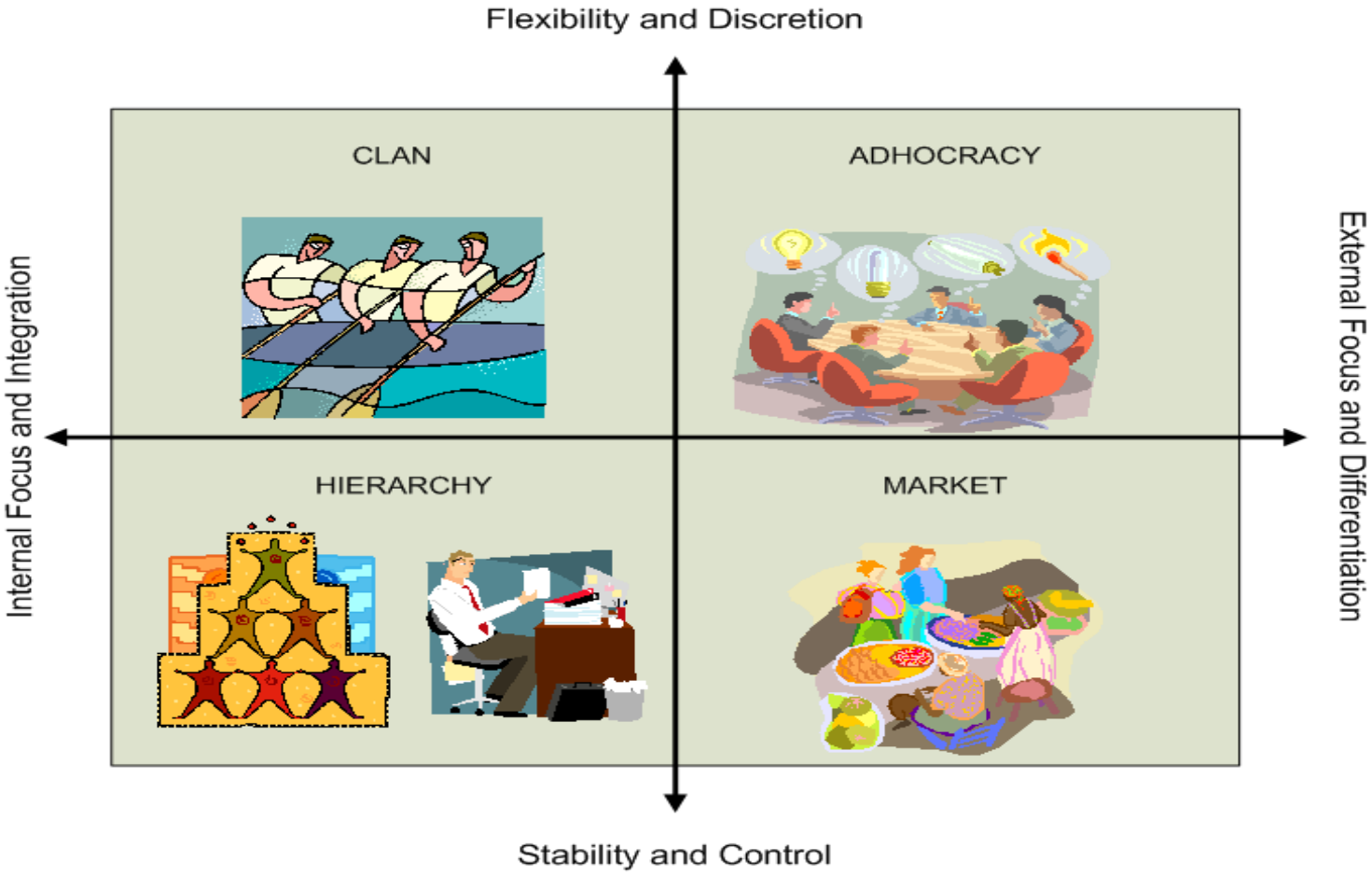
The Competing Values Framework.



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The Clan Culture

The clan culture is characterized by **teamwork, employee involvement programs**, and a **friendly place to work**. It is like an extended family. The leaders, or head of the organization, are considered to be mentors and, perhaps even parent figures. The organization is held together by **loyalty or tradition**. The organization emphasizes in **long term commitments**. Success is defined in terms of **sensitivity to customers and concern for people**.

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Sample Clan Type Organizations

- People Express

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The Adhocracy Culture

The adhocracy culture is characterized by **individuality**, a **dynamic, entrepreneurial**, **risk taking and a creative place to work**. The glue that holds the organization together is **commitment to experimentation and innovation**. The emphasis is on being on the leading edge. Readiness for change and meeting new challenges are important. **Success** means having **unique and new products** or services.

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Sample Adhocracy Type Organizations

- Microsoft
- NASA
- Apple

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The Market Culture

The market culture is characterized by a **results-oriented organization**. The leaders are **hard drivers, producers, and competitors**. They are **tough and demanding**. The glue that holds the organization together is an **emphasis on winning**. The long-term concern is on competitive actions and achievement of **measurable goals and targets**. Success is defined in terms of market share and penetration.

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Sample Market Type Organizations

- General Electric
- Phillips Electronics

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The Hierarchy Culture

The hierarchy culture is a **formalized and structured place to work**. **Procedures govern what people do**. The leaders pride themselves on being **good coordinators and organizers**. Maintaining a smooth running organization is important. The long-term concerns are **stability, predictability, and efficiency**. **Formal rules and policies** hold the organization together.

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Sample Hierarchy Type Organizations

- McDonalds
- US Justice Department
- Ford Motor Company

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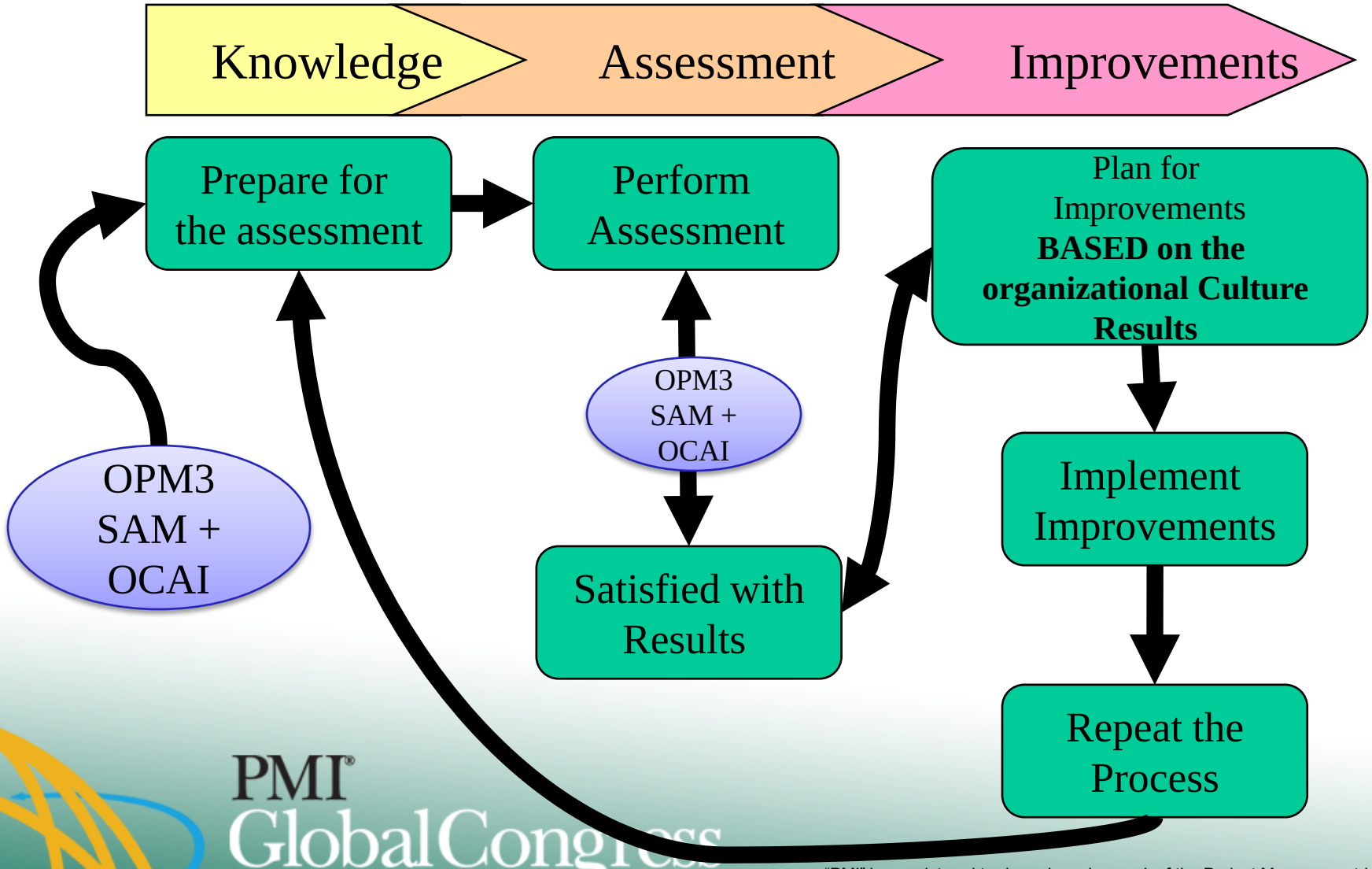

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By combining OPM3 and OCAI:

1. Identify small wins – find OPM3 Best Practices "easy to change" and celebrate it publicly.

2. Generate social support – Build coalitions of supporters for change and empower them.

3. Measure – Indentify the criteria that will indicate cultural change.

4. Create readiness – Identify the disadvantages of not changing, show gaps between current performance and future require performance.

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By combining OPM3 and OCAI

After applying the organizational culture to OPM3, the expectation is that the Implementation Strategy Plan of this model will become:

- More revealing
- More comprehensive
- More centered
- Better chances of improvement
- Faster results

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Perguntas?

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