



Impact of Benefit Realization Management on Two-dimensional Model of Project Success: Evidence from Pakistani Telecom Industry

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ABSTRACT

This particular research study aims at exploring the role of benefit realization management (BRM) on two-dimensional model of project success. Is there any relation between BRM practices and project success? The population of the current research study is the telecom industry of Pakistan which includes multinational and national companies. Multinational companies are Telenor, Warid and Zong whereas national companies are PTCL, Ufone, and Mobilink. The sample will include employees of above mentioned multinational and national telecom companies. Study confirms that proper implementation of BRM practices (planning, realization, review and strategy) could lead to better project performance in both ways; project management success and product or process success. As far as the project success is concerned, it is a combination of measure of effectiveness and measure of efficiency. Project success is the sum of project efficiency (time, cost and requirement) and project effectiveness (end user satisfaction and return on investment). Measure of efficiency is about cost, time and quality for maximization of output in respect of certain level of input or resources, while effectiveness is about achievement of goals and objectives. Our research was limited to the area of Islamabad Pakistan with a less and specific time frame and respondents. More extensive study could be done in future including other cities and industries.

Keywords: Project Success, Benefit Realization Management, Telecom Industry, Project Management Success

JEL Classifications: J10, M10

1. INTRODUCTION

In public sector organizations the long-term capability of an organization such as cash generation includes delivering of stakeholder value. It also constitutes good business strategies which on other side include the ability of providing valuable public services (Scholes and Johnson, 2002). Future value targets are set through these business strategies which then are met after the achievement of strategic objectives. The value gap is set through the difference between the target future situation and the current situation because of the measurability of strategic objectives. That value gap is filled by initiatives already defined in the strategic plan of the organization (Norton and Kaplan, 2008). Projects are entities of an organization which employ organized resources in a unique and a new way for a particular time span and to make clear and positive modifications in

the business setups (Muller and Turner, 2007). The main objective of these modifications is the accomplishment of organizational missions and such strategic enhancements of the businesses are termed as "benefits."

Benefits are perceived as improvements in business and are increments in the value of business. Benefits are taken as increments from both a shareholders' perspective and perspectives of customers, suppliers, or even societies (Zwikael and Smyrk, 2011). The usual achievement regarding benefits is gained through the proper use of program and techniques of project management. Hence the success and maximum creation of business value involves not only successful execution of business management strategies but also depends on projects and programs which deliver the supposed benefits. A conceptual instance of

benefits realization which begins with projects and stretches to the realization of business objectives, and it is based on the benefit mapping techniques is suggested by Ward and Daniel (2006), OGC (2007), Jenner (2012), Bon (2006), Bradley (2010) and Thorp (2007). If viewed as a concept, this process begins with the enabling of business changes by project outputs or with direct delivering of intermediate benefits. Modifications in the business result in such outcomes that develop numerous operations leading to the realization of benefits. There is another possibility of delivering intermediate benefits through business changes that may also provide intermediate benefits, irrespective of enabling by project outputs. Modifications in the business can also bring some side effects, such as they can require some additional skills or they may increase cost, which are the negative consequences of change. These consequences and side effects can also realize more intermediate benefits. Intermediate benefits make great contribution in the accomplishment of end benefits (Bradley, 2010). Those end benefits may make direct contribution in the achievement of other strategic objectives of the organization. Mostly, end benefits are gained due to the changing processes which are composed by a series of processes and projects. Such projects are managed and are combined together as a specific program (Bradley, 2010). The program further synchronizes work for the generation of more benefits than that of by projects individually (Thiry, 2002). Hence a successful project, from a strategic point of view, is more supposed to deliver expected benefits than to create strategic business value. In order to manage each project carefully the main constituents are the enabling of outcomes, delivering of outputs and supporting the realization of the right benefits for the project. Even though benefits cannot be considered as the only criteria of the evaluation of a project success yet they are perceived as a calculating value of the project. This is what we mean by benefits realization management (BRM). This particular research study aims at exploring the role of BRM in two-dimensional model of project success i.e., if there is any relation between BRM practices and project success. The objective is to find the association between BRM practices and the perceptions regarding Project Success. For determining the relationship between our variables of interest, a survey is performed in which questionnaires have been used and data is analyzed using different analytical survey tools.

2. LITERATURE REVIEW

2.1. Project Success

Prior researchers provided definition of project success as a perception. According to which it is a perception that means a project will be perceived to be successful only if it meets some specific requirements. These requirements include; specifications of technical performance, mission of performance, high level of satisfaction among the main people of the project or team of the project and also the satisfaction of key users and clients of the project. Generally it is agreed that although time and budget factor alone are not sufficient to analyze the success of a project yet the importance of these two factors as components in a project's construct cannot be denied. Another general consensus among the research scholars is that even though budgetary schedule and budget performance alone are insufficient to serve the purpose

of measuring success of the project, still they are essential constituents of the whole concept. Quality is twisted together by the things like technical performance, accomplishment of functional aims and specifications which can be referred as the accomplishment against those criteria which would be perceived in a different way by different stakeholders of project.

2.2. Project Success Components

Project success is comprised of two separate success constituents (Baccarini, 1999), and these were named as project product success and project management success which are differentiated in the following way:

2.2.1. Project management success

The accomplishment of project centers on the project management process and particularly on the fruitful project achievement in terms of time, cost and quality objectives. These three objectives determine the amount of effective and efficient project execution (Pinkerton, 2003). Project management success is defined as successful achievement of the project in terms of cost, time and quality objectives. Project management success has been defined by several researchers (Duncan, 1987; Redmill, 1997; Blaney, 1989; Zwikael and Globerson 2002; Thomsett, 2003; Qureshi et al., 2015), in the context of traditional triangle which features time, budget and specifications as three necessary dimensions of a project management success. Whereas, time, budget and specifications are not enough to calculate other dimensions of the success of project management such as quality of process of project management and the satisfaction of the of stakeholders' expectations. These two-dimensions were given importance by the authors (Baccarini, 1999; Schwalbe, 2004; Qureshi et al., 2016). According to modern researches, it is important to extend the traditional triangle and to include other two-dimensions of quality of the management process and stakeholders satisfaction to deliver a much more comprehensive and better view of the project management achievement.

2.2.2. Project product success

Project product success can be stated as the successful production of end product. It is not possible to deny the link among project management success and project product success but on the other side the formal relationship between these two is very weak (Pinkerton 2003. p. 344-345). For instance, if there is an overrun of cost or time the project can said to be a failure but the resultant product can be successful (Pinkerton, 2003; Baccarini, 1999). Due to the omission of product related dimensions, To extended model is also inadequate for the measurement of project success. Following are the product related dimensions which are omitted:

- Product or added value success (Baccarini, 1999 and Thomsett, 2003); and
- Satisfaction of users (Klein et al., 2002. p. 18).

For the evaluation of the project success, to use traditional criteria of means to use the time taken by a single runner for the determining of success of the whole relay (Pinkerton 2003. p. 338).

The next section contains the investigation of the possibility of utilizing the DeLone and McLean information success model for

the presentation of the product success aspects of project success. Project success is described as:

Project success = Dimensions of project management success + Dimensions presented in the project.

Project product success emphasizes on the impacts of the end-product of the project. In fact the project product success can be distinguished from the project management success, but the successful outcomes of both of them are inseparably linked together. If the product is not successful then the project will also not be successful (Pinkerton, 2003).

Hence, by following Baccarini (1999) we can summarize the term project success in the simplest way as:

Project success = Project management success + Project product success.

We will now analyze and discuss the concept of project management success and product development success for the development of the concept of project success.

2.3. BRM

BRM is defined by Sigma as a process of the organization and management in order to achieve the potential benefits which arise from investment in the change. Originally it was named as benefit management but it was switched in 2003 with that of more meaningful title which is BRM (Sigma in 1986). It is highlighted by the definition of OGC that benefit realization method is a continuous process of any initiative for change. It should be the backbone of any kind of programmed. It should involve much more benefits than the early process. These benefits may be:

- Facilitating the engaging stakeholders with a mechanism
- Specifying the needs and acceptance criterion
- Assisting in the establishment and the maintenance of the Blueprint determining the boundaries of project and program
- Developing the plans of program and project
- Identifying possible risks
- Educating the case of business
- Current reviews and monitoring.

2.4. BRM Planning

Benefit realization method identifies the beginning point which includes current status, cultural factors and drivers for change. BRM does this by the active management in business. It also revolves around and creates an end point which includes vision supported through benefits and objectives. In this way only the BRM recognizes the need for a change to achieve its goal. This change may be that off enablers or a business change.

It was usually or commonly applied to some specific projects in the late 1980's, normally at later stages of their life cycles, more often after the implementation of any new kind of technology or system where it continues to be an important activity. The process of benefit realization method may be applied to individual programs or budgets, to a business strategy or to the portfolios of projects and different programs.

In the arena of acquisitions and that of mergers, the application of BRM should be giving benefits. While it has been revealed by a recent analysis that:

- The announced expectations were failed to accomplish by the 83% of mergers
- Within 5 years there have been nearly a half of complete acquisitions which are divested.

Benefits might be valuable to the organization which is making investment and also to its staff or customers or even to other external parties. But, there can be no justification to invest for change if there is no generation of benefit not even for at least a group of stakeholders. So the ultimate deliverable should be the benefit realization method behind any change initiative. It should constitute the basis of a project or a program management instead of being just an afterthought.

2.5. BRM Review

Benefits management undergoes the management of various kinds of benefits which might be assigned to various stakeholders (Bradley, 2006). Hence, another reason behind its importance is to capture requirements of stakeholders and those of management. It is very important to make sure that whether a certain program or a budget is profitable throughout its life cycle. A research was undertaken by [Cyer and March, 1963](#) which involved an identification of the fact that stake holding has age long familiarity with the construction projects. It was found in their research that any such project had a number of clients or partners and all of them had various levels of power or authority in term of influence been it political or financial.

It was pointed out by [Newcombe, 2003](#), that this idea about the existence of stakeholders in a construction project has further been supported by many authors. Many authors have defined the term stakeholder ([Post et al., 1995](#); [Kaka Badse et al., 2004](#); [Buchholtz and Carroll, 2006](#); [Kagioglou et al., 1998](#); [Sillanpaa and Wheeler, 1997](#)) and many others. It has been indicated in the literature that there are different groups of types of stakeholders. Different definitions of these groups have been given by different authors ([Buchholtz and Carrole, 2006](#); [Calvert, 1995](#); [Sillanpaa and Wheeler, 1997](#); [Post et al., 1995](#)).

It should always be kept in mind that it is not difficult for a stakeholder to switch or change his group. For instance, at a particular time or stage of the project performance an individual or a group might seem to be important and necessary and hence is perceived as belonged to primary group whereas the same individual or group may easily slide away from this group as soon as they are no longer directly involved or the performance of project is finished then they would be previewed as a part of environmental or secondary group. This reveals that how benefits management keeps different stakeholders involved in a project throughout its lifecycle and at this point benefit management comes into its effect.

2.6. BRM Realization

Stakeholders provide an organization with a range of resources and following are the assets they carry with them ([Post et al., 1995](#)):

- Knowledge
- Revenue
- Capital
- Social acceptance and
- License to operate.

Each and every individual stakeholder occupies his own significant role and it is very essential to identify these roles and their responsibilities also. Occurrence of changes inside the group is particularly very essential. Globalization has caused a growth in competition which further has resulted in the increased use of stakeholder management as well as its tools (Huber and Scharioth, 2006). For the attainment of effective stakeholder management it is necessary to consider every stakeholder group and individuals. Authors have pointed out a number of things worth considering at the time of stakeholder management (Hariis, 2008; Post et al., 1995). These points are as follows:

- Multiple roles - A stakeholder can play more than one role at a time.
- Flow of benefit - Benefit flows between the organization and stakeholders.
- Change of issue - It means that one issue is given more importance by one stakeholder while the same issue might be unimportant for other stakeholder.
- Multiple links - Many stakeholders are involved in the activities of an organization and this may result in multiple links between stakeholders themselves.

After having sufficient knowledge about the involvement of stakeholders in the project management and their role in the company, one is aware of the importance of communication among them. Easier communication between them will make them trust each other more than ever. If we consider the introduction of a new procedure then we should not forget to consider these methods as well (Bradley, 2006).

2.7. Stakeholders' Requirements and Benefit Management

Having a number of stakeholders is that they might have different objectives and different demands which may give rise to a conflict among them, the most important difficulty (Ayusu et al., 2006). This problem frequently occurs in health care projects and in construction projects (Olander and Landin, 2005; Carruthers et al., 2006). This problem can be explained by an example of the procurement of health care building. Builders are supposed, in this case, to work on construction, cost and time of completion and they would probably satisfy with their work. While community might be unhappy and disagree on the location of the building. In this was a conflict may arise among two kinds of stakeholders and if this conflict grows stronger then it may lead even to the end of project. Such conflict may be resolved with a more involvement of other stakeholders for the purpose of reconciliation between conflicting parties of stakeholders and also by the intervention of project manager with an intention to give importance to the concerns of conflicting parties and by attempting to appease those (Olander and Landin, 2005). To make sure smooth running of benefits management it is important to identify various requirements of different stakeholders. Newcombe (2003), had enlisted other possible conflicts between stakeholders which are as follows:

- Jobs versus cost efficiency
- Quality versus quantity
- Control versus independence
- Short term objectives versus long term objectives.

There is a two way relationship between an organization and its stakeholders. And by enacting some useful policies, conflicts between stakeholders may be avoid to a great extent. Due to the importance of the roles which stakeholders play in an organization, different methods are used for the better management of stakeholder's relationships. The need, goals and requirements of a group of stakeholders can be achieved by following capabilities (Ayusu et al., 2006):

- Stakeholder dialogue
- Stakeholder knowledge integration.

These capabilities will be essential to identify and to realize the benefits for stakeholders throughout the process of benefits management.

2.8. Hypothesis

H1: BRM has a positive significant impact on project management success.

H2: BRM has a positive significant impact on product/process success.

3. METHODOLOGY

The population of this research study is the telecom industry of Pakistan which includes multinational and national companies. Multinational companies are Telenor, Warid and Zong whereas national companies are PTCL, Ufone, and Mobilink. The sample will include employees of above mentioned multinational and national telecom companies.

This was a cause and effect study. Study investigated effect of Independent variables on dependent variables. Project success was dependent variable and the factors like BRM practices are independent variables. Sample size of this study was 250 respondents. For customer survey sample size of 200-500 is adequate. Acceptable range from each item is 5-10 responses. In online sample size calculator sample size was calculated which resulted in sample size of 264. For this calculation 95% confidence level and 6% confidence interval was used. For social sciences studies confidence level of 95% is good.

3.1. Demographic Analysis

Three types of demographic information were collected, which were gender, age, and education. Figures related to the demographics were given in the following Table 1.

Table 1 given below shows the frequency distribution of gender which shows a total of 250 questionnaires were floated out which 168 were received that were completely filled and valid. Frequency of males is 129 and frequency of females is 39. Total percentage of male respondents was 77% and of female was 23%. The major respondents were fall in the category of 23-38

years age group which covers 41% of the total sample size. The second major age category was 18-23 which covers 37% of the total sample size. Education level of majority of respondents falls in graduate level category which covers 52% of the total sample size. The second major educational level category is undergraduate education level which covers 35% of the total sample.

4. REGRESSION ANALYSIS FOR PROJECT MANAGEMENT SUCCESS

Acceptable range of Durban Watson value is 1.5-2.5. As shown in Table 2 the value lies between the acceptable range which proves

that there is no auto-correlation or serial correlation.

The adjusted R² value is 0.150 which shows that 15% change will be occurred in dependent variable due to independent variables.

4.1. Beta Analysis

The beta value for planning is 0.013, which shows a strong positive significant impact on project management success, whereas the (Sig. <0.05). The beta value for review is 0.339, which shows a positive significant impact on project success, whereas the (Sig. <0.05). The beta value for realization is 0.128, which shows a strong positive significant impact on project management success, whereas the (Sig. <0.05). The beta value for strategy is 0.021, which shows a strong positive significant impact on project management success, whereas the (Sig. <0.05) (Table 3).

5. REGRESSION ANALYSIS FOR PROJECT PROJECT/PROCESS SUCCESS

Acceptable range of Durban Watson value is 1.5-2.5. As shown in Table 4 the value lies between the acceptable range which proves that there is no auto-correlation or serial correlation.

Table 1: Demographic analysis

| Parameters | Frequency (%) | Valid % | Cumulative % |
|----------------|---------------|---------|--------------|
| Gender | | | |
| Male | 129 (76.8) | 76.8 | 76.8 |
| Female | 39 (23.2) | 23.2 | 100 |
| Total | 168 (100) | 100 | |
| Age | | | |
| 18-23 | 62 (36.9) | 36.9 | 69.6 |
| 23-28 | 69 (41.1) | 41.1 | 86.5 |
| 28-33 | 15 (8.9) | 8.9 | 100 |
| Above | 22 | | |
| Total | 168 (100) | 100 | |
| Education | | | |
| Under graduate | 59 (35.1) | 35.1 | 35.1 |
| Graduate | 88 (52.4) | 52.4 | 87.5 |
| Master | 21 (12.5) | 12.5 | 100 |
| Total | 168 (100) | 100 | |

The adjusted R² value is 0.069 which shows that 7% change will be occurred in dependent variable due to independent variables.

5.1. Beta Analysis

The beta value for planning is 0.087, which shows a strong positive significant impact on project product/process success, whereas the (Sig. <0.05). The beta value for review is 0.224, which shows a positive significant impact on project project/process success, whereas the (Sig. <0.05). The beta value for realization is 0.157, which shows a strong positive significant impact on project product/process success, whereas the (Sig. <0.05). The beta value for strategy is 0.054, which shows a strong positive significant impact on project product/process success, whereas the (Sig. <0.05) (Table 5).

Table 2: Regression analysis for project management success

| Model summary | | | | |
|---------------|--------------------|----------------|-------------------------|--------------------------------|
| Model | R | R ² | Adjusted R ² | Standard error of the estimate |
| 1 | 0.412 ^a | 0.170 | 0.150 | 0.60584 |

^aPredictors: (Constant), BRMS, BRMRE, BRMR, BRMP

Table 3: Beta analysis for project management success

| Coefficients ^a | | | | | |
|---------------------------|-----------------------------|----------------|---------------------------|-------|-------|
| Model | Unstandardized coefficients | | Standardized coefficients | t | Sig. |
| | B | Standard error | Beta | | |
| 1 | | | | | |
| (Constant) | 1.883 | 0.345 | | 5.464 | 0.000 |
| BRMP | -0.009 | 0.060 | 0.013 | 0.158 | 0.015 |
| BRMR | 0.266 | 0.066 | 0.339 | 4.037 | 0.000 |
| BRMRE | 0.140 | 0.086 | 0.128 | 1.640 | 0.103 |
| BRMS | 0.017 | 0.078 | 0.021 | 0.224 | 0.023 |

^aDependent variable: PMS

Table 4: Regression analysis for project project success

| Model summary | | | | |
|---------------|--------------------|----------------|-------------------------|--------------------------------|
| Model | R | R ² | Adjusted R ² | Standard error of the estimate |
| 1 | 0.303 ^a | 0.092 | 0.069 | 0.83811 |

^aPredictors: (Constant), BRMS, BRMRE, BRMR, BRMP

Table 5: Beta analysis for project project success

| Coefficients ^a | | | | | |
|---------------------------|-----------------------------|----------------|---------------------------|-------|-------|
| Model | Unstandardized coefficients | | Standardized coefficients | t | Sig. |
| | B | Standard error | Beta | | |
| 1 | | | | | |
| (Constant) | 1.452 | 0.477 | | 3.046 | 0.003 |
| BRMP | 0.083 | 0.083 | 0.087 | 0.995 | 0.021 |
| BRMR | 0.233 | 0.091 | 0.224 | 2.553 | 0.012 |
| BRMRE | 0.228 | 0.118 | 0.157 | 1.927 | 0.056 |
| BRMS | -0.059 | 0.107 | 0.054 | 0.551 | 0.052 |

^aDependent variable: PPS

6. CONCLUSION

The main objective of this research study is to examine the association among BRM practices and assumptions/perceptions of project success. To determine the association between our variables of interest, a survey is performed by distributing questionnaires, and analysis of acquired data is done via analytical tools. Study confirms that proper implementation of BRM practices (planning, realization, review and strategy) could lead better project performance in both way project management success and product/process success. Project success is a combination of measure of effectiveness and measure of efficiency. Project success is sum of project efficiency (time, cost and requirement) and project effectiveness (end user satisfaction and return on investment). Measure of efficiency is about cost, time and quality for maximization of output in respect of certain level of input or resources, while effectiveness is about achievement of goals and objectives.

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