

Relationship between Project Planning and Performance

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Abstract:

The main purpose of this study was to evaluate the relationship between project planning and performance and to study the effect of project planning on project performance. In order to examine the primary data collection a questionnaire was used. It was distributed to 100 subjects of different organizations randomly by self-service. The conclusion of the study revealed that the relationship of project planning is positively associated with project performance. As proper planning of project is enriched, the project performance effect turned positive. The strength of this relationship depends upon project planning, the best project planning will result in a more efficient performance.

Key words: project planning, project performance

Introduction:

Project planning is an organizational activity used to set the organizations' main concerns, focus on their resources, strengthen the different operations, make sure that all the employers are working to accomplish their common goals and objectives. (Anonymous 2007). Planning is the basic

management function of any worker. It is that process with the help of which one can determine in advance what should be done or accomplished, when, by whom, how and at what cost. Irrespective of whether it is planning a long-term program, urgencies or planning a two-hour meeting etc, the planning side of management is the major sponsor to success and productivity. For example "If you don't know where you are going, then you would not know when you have reached!"

Planning is the progression of determining the organization's goals, objectives and making the provisions for their success. Planning is the progression of defining organizational aims, choosing the way of action, starting activities required to convert plans into action, and estimating the outcome. The kinds of planning that managers involve will depend on their level in the organization and on the type and size of the organization. Basically there are four major types of planning which are strategic, tactical, contingency, and managerial. Which will be discussed in the paper? Project planning is a process which is continuous throughout the life of the project i.e. from start to the delivery stage of the project (Faniran et al. 1998).

A needs assessment may start a need for developing a plan. The planning procedure initiates with the establishment of a philosophy that comprises of statements describing the beliefs, values, and attitudes of the organization (Waldron et.al 2012). Project performance means to tell us what the situation of the project is as the project is on the progressive side or on the other side means not progressive. (Idoro 2004). Project performance over time is a critical part of building that whether changing objectives without enlarging time, budget and scope. In short project performance does not take too much time away from core project. The information gained will contribute to success. Project performance is one of the key issues in project delivering all over the world. This is due to the fact that all the projects contain clear goals and objectives which must be

accomplished by the organization. Many researchers think project performance as one of the constituents of project delivery process and use project performance as the basis of estimating or calculating effectiveness (Naoum 1991; Ling and Chan 2002; Thomas et al. 2002).

In this research paper I used the variable project performance with the project planning to find the relationship between project planning and performance as to how project planning affects the performance of that particular project, while in the previous research they used project success, regression model and ANN model to find the relationship between them.

For primary data collection I used a questionnaire. A total of 100 questionnaires were distributed among the members of different organizations. In some researches they also use the same method for primary data collection but the number of questionnaire items were 150, which was distributed among different organization projects in the United States of America and Taiwan (Wang & Gibson 2008) i.e. 62 questionnaires was distributed in organization working on industrial projects and 78 in building projects. I distributed the questionnaires randomly in different organizations in Pakistan. In Nigeria a research was conducted on project planning, project performance and client type to find the relationship between these variables, in which they used the questionnaire as a primary data collection. A total of 130 questionnaires were disbursed in different organizations randomly (Godwin 2001).

This research paper will help the reader in different organizations to improve their management system, by proper project planning. We will be able to manage all the aspects of projects such as the resources of organizations i.e. physical, human, information and financial will be efficiently utilized. By project planning we can consume our precious time i.e. if we don't do proper planning such as scheduling, proper allocation of project resources, which is discussed above the whole project

will collapse and will consume too much of time. This research paper will also help the researcher in researching more deeply in this topic. This research paper will also provide enough information and knowledge for students. This research paper will be helpful for those students who want to do something new and innovative.

Literature review:

Project planning:

Planning is the main administration function of any extension worker. It is the process which defines in advance what should be accomplished, when, by whom, how, and at what cost. Irrespective of whether it is planning long-term primacies or planning a one-hour meeting etc, the planning side of management is the major supplier to success and productivity. Simply, "If you don't know that where you are going, then how you would know that when you reached a particular destination!"

Planning is that process in which we determine the goals and objectives of a particular organization and making the chunks for their achievement (Waldron, Kumar and Arulraj 2012). Rohm (President & CEO of the Balanced Scorecard Institute 2008) defined that plan or strategy is future oriented, and it is a game plan for reaching from one point to another. It is the organizational approach to obtain or achieve its vision (goals and objectives).

Anonymous (Balanced Scorecard Institute, 2007) discusses that planning is an organizational activity used to set the organizations' priorities, focus on their recourses, strengthen the different operations, ensure that all the employees are working to achieve their common goals and objectives. B.S.I. (2007) agreed that planning is a disciplined and well set effort that gives or produces the fundamental or basic decisions and actions that shape and guide what an

organization is, to whom it serves, what it does and why it does it, with a focus on the future (view of future in mind).

An effective planning is not only what the organization or company is doing and what steps it follows or takes to make progress, but also how it will know if it is successful or not. Rohm (2008) argued that planning is the initial thing in working on a project: if we start work on a project and we have no plan for the execution of the project or plan something after starting the project, all the project may collapse.

Hussein et al. (2007) stressed that in planning budget, planning is the most important one. The project manager will first know about their assets, how many financial resources they have; obviously he will know about the strengths of the particular organization or company for which he works, then according to their strengths and assets, he will plan how many employees we need for this particular project, which kind of technology we select to use, which is more reliable and affordable for the company. Larson and Gray (2007) analyzed that a project plan is the main thing which gives us a way to achieve our vision, in planning we will decided who will do, what and when. According to Waldron (2012) planning has three main types which are long range planning, strategic planning and managerial planning.

Long range planning:

Long-range planning is extremely important in that it focuses on the consideration of critical future issues which are enormously important to the organization. None of the lower management is involved in long range planning. In long range planning senior levels of management must be convoluted; those who apply the objectives resulting from long-range planning should also be convoluted.

Strategic planning:

Strategic planning is defined as one which is used to determine

the basic aims of an organization and earmarking resources to their achievement. A strategy determines the course of project in which an organization needs to fulfill its mission. The main components of strategic plan are:

- Organization mission statement --- What
- Strategic examination --- Why
- Strategic preparation --- Where
- Long-term objectives application --- When and How
- Functioning plans - When and how

Project Performance:

Idoro (Department of Building, University of Lagos, Nigeria 2004) stated that project performance means to tell us what is the position of the project, as the project is on the progressive side or on the other side not progress. Godwin (2006) says that mostly a project performance can be calculated from the following four steps:

1. Time over run of the project
2. Cost overrun.
3. % of time over run / initial contract period.
4. % of cost over run / initial contract sum.

Project performance is the main issue in project delivering all over the world. This is due to the fact that all the projects involve defined goals and objectives which must be achieved by the organization, for which they need to efficiently utilize all their recourses. Robinson et al. (2005) emphasized the need of participants or employees' involvement in construction delivery to develop and use different methods for the measurement of project performance. Ling (2004) identified and evaluated seventy potential factors for the project performance measurement. Josephson and Windstorm (2007) suggested 250 different parameters for measuring project performance.

Link between project planning and performance

Slot man (2007) stated that many literatures identified several planning tools that can also provide us solution to the problems related to labour productivity, including project management, work breakdown structures and planning. If we have a proper planning for the execution of the project, it will reduce the risks of collapse of an in project and will increase the project performance towards success. Good planning will reduce

1. The non-productive and non-value adding time.
2. The demands for resources such as material, labourers etc. during the project.
3. Increase the communication of all the employees in the organization.
4. Increase the performance of the labourers by giving them achievable and interesting targets.
5. Improve the quality and safety on the side.

Wang & Gabson (2008) state that the result of poor project planning and not an efficient implementation of the plan will increase the cost of the project, it will also increase the project time, which will decrease the productivity, which in turn decreases the project performance. Howard (2008) has made a structure through which we can easily understand the link between planning and project performance.

- Mission (what is the purpose of our project and what we do?)
- Vision (picture of the future)
- Perspectives (what performance we should use to evaluate the result)
- Results (our main focus area)
- Objectives (what we need to obtain them)
- Performance measure targets (how we will know that we are achieving our goals).

H1: *Project planning is positively related to project performance.*

H0: *Project planning is not positively related to project performance.*

Methodology:

Following the mode of suitability sampling, a sample of 100 employees of private and public sector organizations were selected to assemble the primary data for this study. These employees were top, middle and line managers. Both self-administered and mailed questionnaire were used for this purpose. Out of the 100 questionnaires, 100 questionnaires were received back. The response rate was 100%. The questionnaire enclosed a total of 10 questions out of which 5 questions were related to project planning and 5 questions were related to project performance. Project planning questions were adopted and modified from the questionnaire of project planning used by A to Z creative (2007). The questions of planning are selected only. Project performance questions were adopted and modified from the USAID/PPL/LER, 2011.USAID Evaluation policy, Washington DC and from Past project evaluation performance. The stability values of the scale are shown in the correlation metrics below. To test the hypothesis, regression and correlation analysis were used.

Study Model



		Frequency	%age
Gender	Male	85	85
	Female	15	15
Age	19-25	77	77
	26-30	13	13
	31-45	10	10
Education	Bachelors	97	97
	Masters	3	3
	M.Phil.	0	0
	Ph.D.	0	0
Experience	1-4	19	19
	5-9	11	11

	10 & above	0	0
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Table 1: Demographics

Result & discussion:

1. Correlation analysis:

The correlation between the two variables which are project planning and project performance was tested, the results of which being stated in the correlation matrix. It is found in the study that both the variables are highly correlated with each other. Throughout the analysis, project performance will be denoted by “pp” and project performance is denoted by “pf”.

	<i>pp</i>	<i>Pf</i>
<i>Pp</i>	1	0.535**
<i>Pf</i>	0.535**	1

**** Correlation is significant at 0.01 level of significance**

Table 2: Correlation Matrix

Table 2 shows the correlation matrix. As shown in the table, the correlation values show that project planning is strongly positively correlated to project performance with the values of 1 and 0.535 respectively at the significance level of 0.01.

	pp1	pp2	pp3	pp4	pp5	pf1	pf2	pf3	pf4	pf5
pp1	1	.238*	.169	-.067	.146	.078	.072	.250*	.244*	.073
pp2	.238*	1	.137	.081	.013	-.037	.260**	.410**	.125	.211*
pp3	.169	.137	1	.123	.107	.101	.156	.174	.195	.312**
pp4	-.067	.081	.123	1	.034	.072	.084	.169	.219*	.185
pp5	.146	.013	.107	.034	1	.331**	.105	.163	.255*	.259**
pf1	.078	-.037	.101	.072	.331**	1	.167	.225*	.270**	.097
pf2	.072	.260**	.156	.084	.105	.167	1	.340**	.258**	.343**
pf3	.250*	.410**	.174	.169	.163	.225*	.340**	1	.270**	.309**
pf4	.244*	.125	.195	.219*	.255*	.270**	.258**	.270**	1	.291**
pf5	0.073	0.211*	0.312**	.185	.259**	.097	.343**	.309**	.291**	1

Correlation between items to items:

The above table shows that at ** Correlation is significant at the 0.01 level (2-tailed) and at * Correlation is significant at the 0.05 level (2-tailed).

2. Regression Analysis:

The third step of the study was regression analysis to test the hypothesis of the study. In order to examine the **H1** of the study, regression was run keeping project planning as an independent and project performance as dependent variable. The results of which are the following:

<i>Variables</i>	<i>B</i>	<i>t-stat</i>	<i>Significance</i>
<i>pp</i>	.623	6.235	.000
R square = 28.6 %		Adjusted R square = 27.9%	

** Correlation is significant at 0.01level of significance.

Table: 3: Regression Analysis

The above table shows that the coefficient of project planning is 0.623 which is significant at 0.01level of significance. From this value we conclude that if we increase project planning by one unit, it will cause an increase of 0.623 in job performance. The t-stats of project planning are 6.235, which also shows that the result is highly significant. The overall fit of the model is 28.6% (adjusted R square = 27.9%). Therefore project planning job is found to be positively associated with project performance and we will accept **H1**.

Recommendations:

From the result of the study the following recommendations are drawn:

- Select an appropriate project by assessing the needs of customers and according to the aims and objectives of an organization.
- Establish goals and objectives of this project, otherwise performance of the project will be badly affected because if no one will know about the goals and objectives they will do each and every part of the project according to their wish.
- Determine a comfortable level involvement.

- Identify the needs and resources which will be used to complete the project.
- For effective project performance, the project manager must prepare a proper schedule for different tasks.
- Estimate the total cost, means to plan according the budget etc.

Conclusion:

From the result of the study we conclude that proper project planning will effect positively on the project performance, which means that it will improve the project performance efficiently.

Limitations and future research:

This study which we carried out has certain limitations in it. One of the main limitations of the study is that the size of the sample was not big enough. Future research must concentrate to have a larger sample in order to study such a relationship more thoroughly.

Another limitation of the study was resource shortage and having not enough time due to which data was not collected from a miscellaneous set of organization and from all fields of life. Future studies should collect data from a much varied set of organizations.

In addition the research was just limited to 2 variables only. Future studies should include variables more than 2.

Finally the data was collected from the organizations of Pakistan, particularly from organization in Baluchistan and Khyber pukhtoon khwa only, future research should extend the study in different frameworks in order to increase its applicability to a much extensive framework.

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