

## Chapter 6

# Project Portfolio Management: Tool for Strategy Implementation in Non-Governmental Organizations

**Beata Jałocha**

*Jagiellonian University, Poland*

**Ewa Bogacz-Wojtanowska**

*Jagiellonian University, Poland*

### ABSTRACT

*Project Portfolio Management is a relatively new practice for the majority of non-government organizations. Project portfolio management is important in the areas of management and education of third sector practitioners. However, project portfolio management, corporate management tools are usually used in the business sector with very little research undertaken in the non-government sectors. This chapter fills that research gap by identifying and analysis of project portfolio management practices in non-governmental organizations. Findings suggest that non-government organisations manage multiple projects simultaneously but that project portfolio management could support them to build their portfolio in accordance with a strategic plan that can fulfil their strategic objectives efficiently and effectively.*

### INTRODUCTION

The NGO sector in Poland is growing. There are nearly one hundred thousand foundations and associations (100,000), two hundred thousand other organizational forms, including semi-formal, large groups and Catholic organizations (200,000). Despite the increase in number of NGOs in the last 26 years of transformation of the country, Polish NGOs still face many difficulties. In particular the lack of permanent funding for activities, a strong focus on project work, lack of funds for hiring full-time employees, as well as a common distrust of society, resulting from disclosure of unethical and illegal practices of some NGOs. The most important feature of Polish NGOs is their not for profit character, hence the interchangeable use of two terms: non-governmental and non-profit. However, taking into considerations diverse conditions of formation and nomenclature of third sector organizations, the term NGO used in

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this chapter is similar in its meaning to the concept of non-profit organization described by Salamon and Anheier (1999). Many NGOs implement large projects and contributes to building and developing a strong and credible third sector in Poland.

Project management is a widely used business management concept used in NGOs globally and regardless of the type of activities that are managed (Khang & Moe, 2008; Golini, Kalchschmidt, Landoni, 2015). It is not a new approach to the implementation of tasks in organizations in general – dating back to the construction of the Egyptian pyramids and Roman aqueducts. Traditional project management was focused on the management of a single project in a single location. However, the 1990's technological change, the globalization process and the different needs of customers projected project management into new forms (Kloppenborg & Opfer 2002). In the field of project management, three main areas have been identified (tactical, operational, strategic) and particularly, project management, program management and project portfolio management have increasingly attracted attention. One important differentiating point as pointed out by Jugdey (2003) is that program management and project portfolios concern the management of groups of individual projects and differ from managing a single project (Jugdev, 2003). This is an important distinction in understanding project portfolio management in non-government organizations, which is the main objective of this discussion.

Although project management has been traditionally used in NGO's globally, Project Portfolio Management (PPM) is a relatively new practice for the majority of non-government organisations, and particularly so in Poland. PPM is important in the areas of management and education of third sector practitioners. However, project portfolio management, corporate management tools are usually used in the business sector with very little research undertaken in the non-government sectors. This chapter fills that research gap by identifying and analysis of project portfolio management practices in non-governmental organizations.

Following the introduction, the concept of projectification provides an overview of the conceptualisation of project portfolio management and its application in non-government organizations. This is followed by a discussion on project portfolio management, stages of project portfolio management and project portfolio management in non-government organizations. The chapter concludes with the importance of project portfolio management in non-government organizations and provides future research recommendations.

## **BACKGROUND**

Similarly to the business and the public sector, the sector of non-governmental organizations is strongly influenced by projectification processes. Projectification is a phenomenon that can be observed in all areas of economics, and which results in an increasing, sometimes even predominant, part of organizational tasks being executed in the project-based form. Moving away from operating on the basis of repeatable processes, organizations execute short, one-off projects. In the case of NGOs projects are a natural form for their activities, since funds obtained outside the organization have a limited time frame and a specific purpose. Moreover, contracts concluded on performance of public tasks have a form of projects, as do tenders announced by grant-giving foundations (Bogacz-Wojtanowska & Jałocha, 2016). Projectification processes in NGOs also support models and principles of cooperation with other organizations, particularly public ones. Projectification of projects occurs in contracts for the performance

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