

Organisational resilience and success in managing project portfolios of a general contractor in today's turbulent environment

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ABSTRACT

The research provides a brief analysis of current sources in the field of portfolio management by general contracting organisations. The classification of the main problems faced by such organisations is provided: lack of strategic alignment, resource contention and capacity limits, poor portfolio selection and prioritisation, weak aggregated risk management, poor portfolio metrics and KPIs, multi-party coordination and supply chain fragility, and others. It is shown that current research also focuses on the development of appropriate structures of capabilities and competencies and other factors related to the formation of the so-called resilience of an organisation to the influence of the external environment on a general contracting organisation. The author proposes key aspects of an organisation's mental resilience that will enable general contracting organisations to effectively engage in portfolio management, taking into account the external impact of a turbulent external and internal environment.

Keywords: general contractor, project and portfolio management, organisational resilience and success.

1. INTRODUCTION

At the current stage of development of the construction industry in Ukraine in general and the application of the project approach in construction projects in particular, managers of general contractor organisations face a number of problems that require thorough analysis, identification of their sources and resolution. The project management methodology formalises in sufficient detail all aspects of both project and project portfolio management by publishing relevant extensions to generally accepted international standards for project, portfolio and programme management. However, since the COVID-19 epidemic and now, construction organisations are facing problems with productivity and efficiency during the implementation of projects, which affects the strategic indicators of the portfolios to which they belong.

2. BRIEF ANALYSIS OF CURRENT RESEARCH CONTEXT

The paper [1] examines how organisational learning (acquisitive and experimental learning) through managerial cognition affects organisational stability in conditions of instability. It shows that investments in training and development of managerial thinking models help organisations better adapt to external changes. Work [2] is devoted to the analysis of eleven existing frameworks of organisational stability and shows that for general contracting companies, they often do not take into account aspects such as diversification, bid strategies, and marketing. The authors conclude that general contractors should take into account that 'forgotten' elements in traditional models (such as marketing and participation in tenders) can be key to survival and adaptation in a changing competitive environment.

The research in [3] shows that employees' work resilience has a direct positive impact on the organisational resilience in construction projects and is also mediated by inter-team tasks. The study also concludes that the psychological resilience of employees has a negative impact on organisational resilience in construction projects and is mediated by inter-team and intra-team tasks. The work [4] proposes using the concept of measuring the capabilities of a project-oriented organisation. The authors suggest measuring these capabilities in the following

domains: anticipation, coping, and adaptation. The paper identifies 21 dimensions and 74 indicators that allow for the quantitative measurement of an organisation's resilience in project management. For a general contracting organisation, the conclusion is made that it is necessary to have quantitative indicators of resilience in order to assess where the weaknesses lie and work on them: anticipation, response options, adaptability. In [5], research was conducted on large projects regarding the impact of transformational leadership, employee self-efficacy, and organisational learning on its sustainability. Based on the results of a survey of 243 respondents, it was determined that the organisation's human resources are particularly important in this context, while the organisational climate is a less significant factor for organisational sustainability than learning.

3. THE MAIN MATERIAL OF RESEARCH

The analysis of contemporary articles presented in the previous section reveals a general trend towards searching for new factors that can ensure and develop the sustainability of a general contractor's organisation in a turbulent environment. In particular, it is proposed to ensure the sustainability of the organisation through the formalisation and description of its capabilities and competencies. This section presents the results of a study analysing research in the context of the impact of the external environment on the general contractor organisation in project portfolio management. It is obvious that when managing project portfolios, more complex problems arise regarding the stability of the organisation than when managing projects, for example, delays in the implementation schedule, budget overruns, etc.

Key challenges in project portfolio management:

- *The lack of strategic alignment.* General contractors often lack a clear procedure that links project selection and prioritisation to the company's strategy, resulting in suboptimal resource allocation and low portfolio profitability.

- *Resource contention & capacity limits.* A shortage of labour, equipment or key specialists causes competition between projects being carried out simultaneously – reprioritisation leads to delays and additional costs. This is particularly critical in construction due to seasonality, the specialisation of teams, etc.

- *Poor portfolio selection & prioritisation.* There are no standardised criteria for project selection (strategic value, risk, profitability), or the criteria are applied fragmentarily. The result is a portfolio with excessive risk or low ROI.

- *Weak aggregated risk management.* Risks are often assessed for each project separately, but the correlations between risks across projects are not assessed (e.g., simultaneous supply delays for several sites). As a result, the organisation underestimates peak portfolio risks.

- *Data quality & IT interoperability.* The lack of unified PPM tools, fragmented accounting/ERP/site control systems, and poor data integration make it difficult to get a true picture of the portfolio status and make operational decisions.

- *Poor portfolio metrics & KPIs.* There are no clear KPIs for the portfolio, or they are not standardised. Without uniform metrics, it is impossible to track portfolio performance and conduct comparative analysis of projects.

- *Resistance to change/organisational resistance and lack of support from top management.* PPM implementation requires changes in processes and roles; resistance, lack of leadership support or inappropriate organisational structure block portfolio effectiveness.

- *Cash flow & financing mismatches.* Uneven payments/cash flow 'dips' on several projects simultaneously create liquidity risks for the general contractor and complicate portfolio planning.

- *Multi-party coordination & supply chain fragility.* Portfolio activities multiply the need to synchronise numerous subcontractors and supply chains; failures in one place quickly spread across the portfolio.

- *Limited analytics & forecasting.* Many companies do not use analytical methods (scenario modelling, resource peak forecasting, schedule optimisation) to optimise their portfolio.

3.1. Practical recommendations

- Implement a formalised portfolio selection process with quantitative criteria (strategic value, NPV/ROI, risk, resource requirements).

- Create or strengthen the PPMO/Portfolio Office to coordinate priorities, standards and metrics.

- Deploy a unified PPM/ERP platform (integration of data on deadlines, costs, resources) and link it to KPI dashboards.

- Implement portfolio risk assessment (aggregation, scenarios, stress tests) instead of just project assessment.

- Plan resources at the portfolio level (peak demand phases, distribution of specialised teams), apply simultaneous load modelling.

Based on the results of the analysis of problems inherent in the management of project portfolios by general contractors, the author proposes to supplement them with certain key aspects regarding the mental resilience of the organisation that will minimise the problems in PPM.

4. CONCLUSIONS

Based on the results of the analysis of scientific articles and our own research, conclusions should be drawn in the form of key aspects of the general contractor's activities that ensure its sustainability, as well as recommendations for developing such sustainability, in particular mental sustainability.

Key aspects of an organisation's mental sustainability:

- *Resilience.* The organisation must be able not only to withstand the negative impact of the external environment, but also to successfully recover and develop after the possible destructive consequences of such impact. The development of a structure of capabilities and competencies will enable the general contractor's organisation to be resilient.

- *Internal stability.* This means developing and following a clear structure, processes and values even under pressure from external circumstances.

- *Balance.* The ability to remain calm, make informed decisions and avoid panic in crisis situations.

- *Adaptability.* The organisation must be flexible and able to adapt quickly to changes in the external environment.

- *Stress resistance.* The ability to maintain functionality and performance despite the presence of stressors.

Developing mental resilience recommendations:

- *Planning and goal setting.* Setting clear, realistic goals and achieving them in small steps helps to move forward even in difficult conditions.

- *Active decision-making.* The ability to make decisions, even on small issues, helps to maintain control and move forward.

- *Caring for yourself and your team.* Developing a positive self-image, seeking opportunities for self-discovery, and supporting each other in the team are important elements.

- *Positive stress management strategies.* Introducing physical exercise, exploring hobbies and other positive stress management techniques at the organisational level.

- *Open dialogue and communication.* Speak freely, discuss problems and find common solutions.

The author's further research will focus on the proposed aspects of organisational mental resilience and the development of practical recommendations for its development.

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