

How Good Managers Steer Their Projects:
Using Value-Added Measures of Manager Quality

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Abstract

Using detailed project management records from the design department in a large Japanese construction management company, we estimate the manager effects on the project profitability. One standard deviation increase in manager ability increases the profitability by 7.3%. Based on interviews with seven project managers, we hypothesize that managers improve team performance by better planning and better communication with both client and team project members, which help to front-load design work, reduce waiting time, and avoid wasteful redesigning. We provide supporting evidence from the analyses of labor input data, time use survey, and three-hundred sixty-degree evaluation records