

## **Impact of Early Stage Project-Management Performance on the Cost Performance of Capital Projects**

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*Few studies explore the relations between early stage project-management performance and the cost performance of capital projects at completion. This longitudinal study of 102 capital projects reveals that the relations between early project-management performance and project-cost performance are indeed significant. Our research findings suggest that when Communication, Team, Scope, and Innovation variables perform well in the initiation and planning phases of a project, the project is more likely to meet its goal of cost performance in the closing phase. Subsequent multivariate robust regression analyses with a maximum R-squared improvement procedure demonstrate that Team, Scope, Communication, and Innovation performance in the project initiation and planning phases explains 41.15% of the variation in the cost performance of capital projects in the closing phase. The results also show that Team provides the highest explanation of the variation in the project-cost data. Ultimately, our findings suggest that project-management performance in the initiation and planning phases possesses a critical impact on a project's cost at completion, making the initiation and planning phases the fountainhead of project cost performance.*

**Field of Research:** Project Management