

Euro Projex

People in Project Management

*Australian Institute of Project Management
Hobart, 23rd July 2009*

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The European Network for Project Excellence

But where's the green parrot?

- At a week long seminar in 2003, Rodney Turner spoke on Thursday afternoon
- After the seminar a delegate told him he was the first person all week to mention the people
 - ↳ 3½ days before the people were mentioned



People in Project Management

- Project organization
- Project teams
- Diversity
- Individual competence
- Organizational capability
- Leadership
- Conflict
- Trust and emotions
- Stakeholder management
- Communicating with stakeholders
- Communicating with the sponsor
 - ↳ principal-agency relationship
- Human resource management

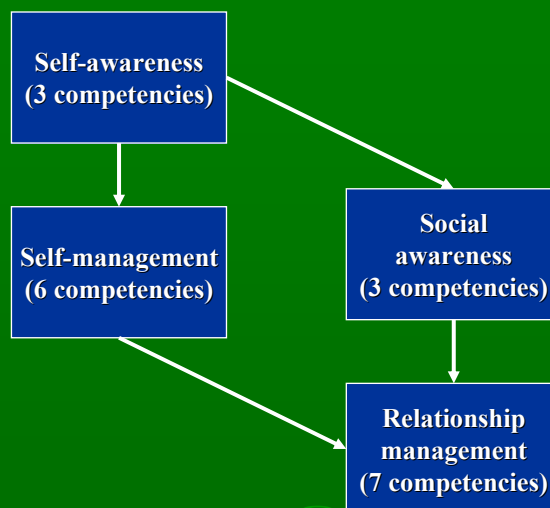
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Emotional intelligence



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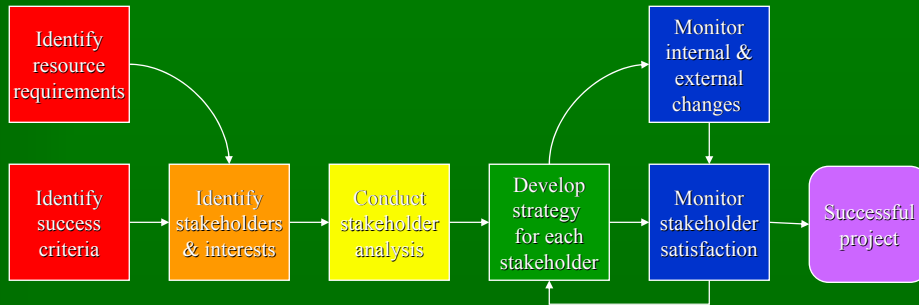
The project manager in context



People in Project Management

- Managing stakeholders
- Communicating with stakeholders
- Communicating with the sponsor
- Human resource management

Stakeholder management process



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Stakeholder register

Scheme Rural sewerage scheme		Review Date 24 Feb			Reviewers
Stakeholder Name / Group	Objectives	Awareness H/L	Support H/L	Influence H/L	Strategy to influence this stakeholder
Project Manager	Meeting project success criteria of time, cost, performance	H	H	H	Ensure company and line manager support
Sponsor	Remove problem of failures and customer complaints. Minimise disruption and compensation payments	H	H	H	Obtain active support. Keep informed of progress proactively
Local Residents	Minimal noise and mess As quick as possible No more flooding	H	L	H	Face to face contact, agree local contact, provision for compensation
Local Authority	Be informed	L	L	L	Involve from start, keep informed
Environment Agency	Stop incidents, environmental improvements, close communication	H	H	H	Maintain close communication
Woodland Trust (Environmental Pressure Group)	No environmental detriment Early input to planning process	H	L	H	Early communication and involvement. Encourage relationship with Environment Agency
Landowners	Maximum compensation for land take	H	L	H	Isolate by negotiating compensation and access details early. Document before and after positions very carefully

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Identify success criteria

- The most significant contributor to project success is

to agree the success criteria with all the stakeholders before you start



Measures of success

<u>Measure</u>	<u>Stakeholder</u>	<u>Timescale</u>
Shareholder value	Shareholders	End+years
Profitable	Board	End+years
Happy sponsor	Board	End+years
Happy consumers	Consumers	End+months
Easy to operate	Users	End+months
Easy to sell	Marketing	End+months
Time, cost, quality	All	End
Happy project team	Project team	End
Profitable for contractor	Project team	End



Multiple views, multiple stakeholders, multiple time-frames (Turner, 2009)

<u>Stakeholders</u>	<u>Output - end</u>	<u>Outcome - +months</u>	<u>Impact - +years</u>
➤ Investor	➤ Efficiency	➤ Profit Reputation	➤ Whole life value Learning
➤ Consumer	➤ Price, time Features	➤ Price Benefit	➤ Advantage Development
➤ Operators	➤ Documentation Training	➤ Operability ARM	➤ Operability, ARM Learning
➤ Sponsor	➤ Efficiency Risk, safety	➤ Relationships Investor loyalty	➤ New projects Learning
➤ Manager/team	➤ Efficiency Experience	➤ Reputation Repeat business	➤ New projects Learning
➤ Senior supplier	➤ Efficiency Profit	➤ Reputation Repeat business	➤ New projects Learning
➤ Suppliers	➤ Profit Client satisfaction	➤ Reputation Repeat business	➤ New projects Learning
➤ Public	➤ Environment	➤ Environment Social cost/benefit	➤ Environment Social cost/benefit







Analyze stakeholders

Three questions

- Is this stakeholder for or against the project?
 - ↳ for, against, don't care
- Can this stakeholder influence the outcome?
- What is their level of knowledge about the project?
 - ↳ now?
 - ↳ where would we like the to be?
 - ↳ should they hear from us first?

Stakeholders

Positive		
Negative		
	No	Yes

Influence Outcome

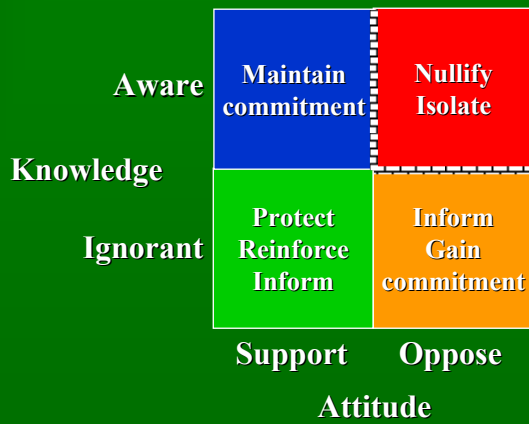
Proponents

- Strengths
 - ↳ To support you
- Weaknesses
 - ↳ To being undermined by opponents
- Opportunities
 - ↳ The project gives them
- Threats
 - ↳ Of the project you need to down play or address

Opponents

- Strengths
 - ↳ to undermine you
- Weaknesses
 - ↳ To being undermined by you
- Opportunities
 - ↳ The project might give
- Threats
 - ↳ Of the project causing them to oppose it

Stakeholder management strategy

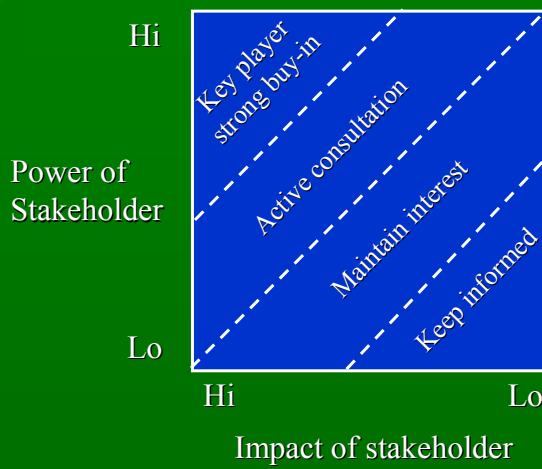


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Power-impact matrix

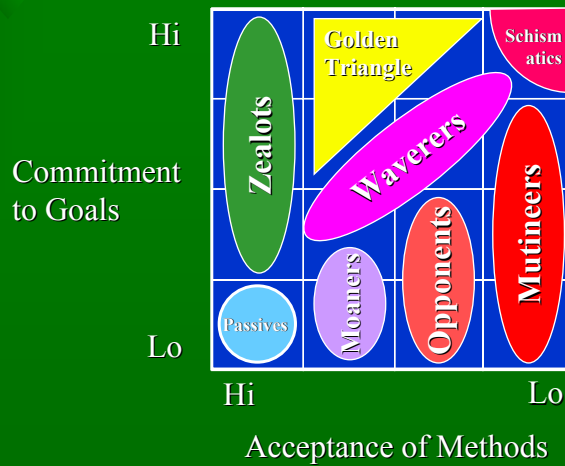


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Socio-dynamics



Socio-dynamics

- Golden Triangle
 - ↳ high synergy, medium antagonism
 - ↳ synergy aids progress
 - ↳ antagonism means goals are questioned/improved
- Zealots
 - ↳ strong synergy, no antagonism
 - ↳ unquestioning support
- Waverers
 - ↳ medium synergy, medium antagonism
 - ↳ qualified support



Socio-dymaniacs

- Opponents
 - ↳ opposite of zealots
 - ↳ unthinking opposition
- Mutineers
 - ↳ strong antagonism, weak synergy
 - ↳ will lose everything to stop others succeeding
- Schismatics
 - ↳ high synergy, high antagonism
 - ↳ support the project
 - ↳ but think it is being done wrong

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Somno-dynamics

- Passives
 - ↳ weak synergy, weak antagonism
 - ↳ silent majority, dead weights
 - ↳ between 40% to 80% of stakeholders
 - ↳ but they often tilt the scales
 - ↳ if they follow the project it will be a success
- Moaners
 - ↳ moaning-Minnies

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South Regis Health Authority Stakeholder Register – Health and Social Services					
Project: Project Sponsor: Project Manager:	Day Care Centre John Locke David Hume				
Stakeholder Name/Group	Objectives	For/Ag F/A	Infl'ce H/M/L	Know H/M/L	Strategy
Primary care trust	Provide services in the community Better use of staff	F	H	H	Keep informed
Acute hospital trust	Release beds	F	H	M	Keep informed
Social services	Better use of staff Better cooperation with health	F	H	H	Keep informed
Hospital consultants	Free hospital space Keep in the community	F	M	M	Massage their egos Help them see the value
Nurse manager	More efficient use of staff	F	M	H	Keep informed
Family doctors	Keep patients in the community	F	H	H	Keep informed
Professions allied to medicine	More cost effective Like being in the community	F	L	M	Involve in the design Make them feel they have contributed
Author:	JRT	Date:	21 July 2005	Issue:	A

South Regis Health Authority Stakeholder Register - Community					
Project: Project Sponsor: Project Manager:	Day Care Centre John Locke David Hume				
Stakeholder Name/Group	Objectives	For/Ag F/A	Infl'ce H/M/L	Know H/M/L	Strategy
Attendees	Stay in the community Access to better services	F	L	L	Consult them to find out what they want
Families and carers	Have support and some free time Keep relatives in the community	F	L	L	Consult them to find out what they want
Help the aged	Keep people close to home Minimum appropriate intervention	F	L	M	Work with them to find out what they suggest and to influence potential attendees to come
Local residents	Quite life, empty roads	F but!	M	L	Work on them, keep informed Encourage to act as volunteers
Author:	JRT	Date:	21 July 2005	Issue:	A

TriMagi Stakeholder Register					
Project: Project Champion: Project Manager:		Intranet Phase 1 Martin Pacific Frances Seeker			
Stakeholder Name/Group	Objectives	Aware Y/N	Infl'ce Y/N	Supp't Y/N	Strategy
Managing Director	Internet banking Communicate better with employees	Y	Y	Y	Keep informed, seek views Try to keep satisfied but uninvolved
Board members	Maintain power base	Y	N	Y&N	Keep informed and uninvolved
Personnel Manager	Online processing of forms Online personnel information	Y	Y	Y	Managing the project. Needs to communicate vision, and stop scope creep
IS Manager	Influence web presence and policy				
Production Manager	Internet banking, on line application for products				
Staff	Some welcome it Some resist it	N N	Block	Y N	Keep informed. Consult early. Form focus groups
Author:	JRT	Date:	21 July 2003	Issue:	A

People in Project Management

Managing stakeholders
Communicating with stakeholders
 Communicating with the sponsor
 Human resource management

Three types of communication on projects

- Sponsor tells the project manager what is required
- Project manager reports progress to the client
- Sponsor and project manager inform people affected by the project about it and persuade them it is a good idea and to support it

Communicating with stakeholders

- Who are the target audience?
- What are the objectives of each communication?
- What are the key messages?
- What information will be communicated by whom?
- When will the information be given?
- How will feedback be encouraged?
- What media will be used?



Target audience

- Understand the target audience
- Research to organization
 - ↳ objectives
 - ↳ methods and procedures
 - ↳ collection, analysis and reporting
- Segment the market
 - ↳ groups of target audience with similar characteristics and concerns



Objectives of communication plan

- Raise awareness
- Gain commitment
- Keep business areas informed
- Promote key messages
- Demonstrate commitment to requirements
- Make communication two way
- Ensure common understanding
- Maximize benefits



Encourage feedback

- Make people feel that they have an influence over the design of the change
 - ↳ they should FEEL that they do
 - ↳ it doesn't matter if they actually do
- Ask for feedback
- Show that you are listening
 - ↳ through your body language
 - ↳ by answering questions
 - ↳ by making (at least superficial) changes to the design



Media

- Seminars and workshops
- Press and the media
- Bulletins, briefings, press-releases, web-pages
- Site exhibitions
- Video and CD

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Three types of communication on projects

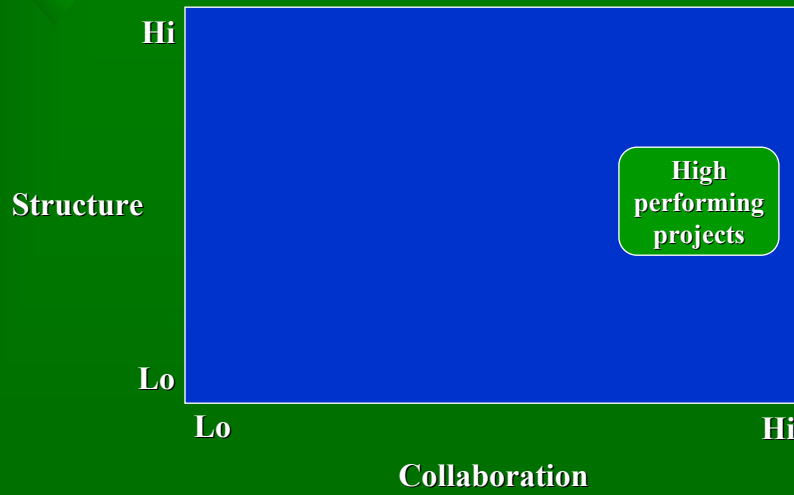
- Client tells the project manager what is required
- Project manager reports progress to the client
- Client and project manager inform people affected by the project about it and persuade them it is a good idea and to support it

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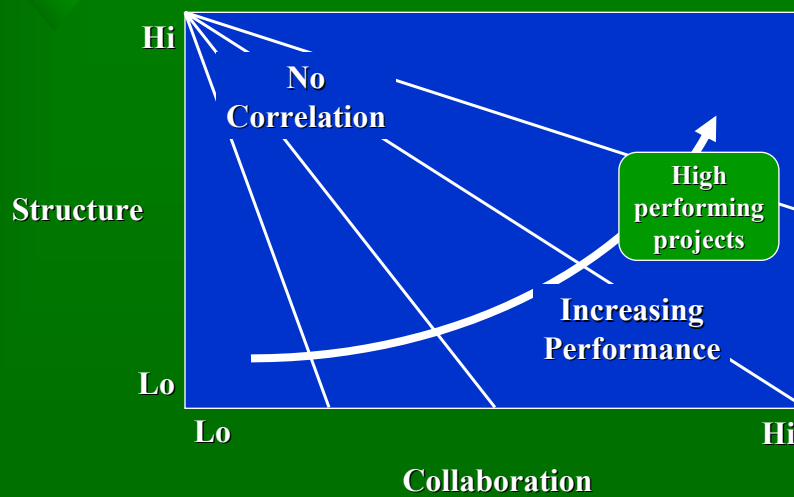
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Cooperation and structure Müller, 2003



Cooperation and structure Müller, 2003





Client contribution to project success/failure

- Client credit worthiness
- Client's litigiousness
- Degree of trust and openness
- Clearly set project objectives
- Client's contribution to project complexity

Lim and Ling (2002)



The principal-agent relationship - definitions

- A principal-agency relationship exist where one party (the principal) depends on another (the agent) to undertake an action on their behalf
- Agency costs are the cost of creating structures (including contracts) and incentives to minimize the conflict of interest between the two parties

Jensen (2000)



Principal-agent relationship - the twin problems

Adverse selection problem

- At the moment of appointment, the principal cannot know if the agent is the best for the job
- Nor even if they are competent

Moral hazard problem

- The agent will maximize their utility
- And only maximize the principal's if their objectives are aligned



Sponsor's lack of comfort

- The agent's knows more about substantive project issues than the principal
- The principal may not know why the agent makes the choices they do
- Principal cannot perfectly and costlessly monitor the actions of the agent (moral hazard)
- Principal cannot perfectly and costlessly monitor information available to the agent (adverse selection)



Agency costs

- Cost of creating and maintaining contracts between client and project manager
- Monitoring expenditures by the principal
- Bonding expenditures by the agent
- Residual loss because agent's choices don't perfectly match the principal's requirements



The agent's imperfect choices result from:

- Bounded rationality
 - ↳ lack of information
 - ↳ inability to process that available (satisficing)
 - ↳ cannot foretell the future (risk and uncertainty)
- Diverging objectives
 - ↳ different utility maximization
- Opportunistic behaviour

Client's comfort needs

- The end deliverable functions
- The right process is adopted to deliver it in the optimum way
- Within time, cost and quality targets
- The project manager is behaving in a professional and trustworthy manner
- Appropriate control mechanisms are in place to achieve the above

Questions the sponsor wants answering

- Questions of product and process
 - ↳ functionality and performance
 - ↳ has the right process been adopted
- Questions of performance
 - ↳ adequate time and resource
 - ↳ adequate process
- Questions of surprise avoidance
 - ↳ adverse selection problem
 - ↳ moral hazard problem



Questions of product, process and performance

- Answered through written reports
 - ↳ once every two weeks provides the best balance between client comfort and agency cost
- There is almost no overlap between:
 - ↳ the analytical information client's want
 - ↳ what project managers are willing to supply
- High performing projects
 - ↳ clients have a high desire for information
 - ↳ and a low perception of progress
- Low performing projects
 - ↳ clients show little interest in progress
 - ↳ and have a rosy view of performance



Question of surprise avoidance

- Answered through face-to-face meetings
 - ↳ once a week to satisfy client comfort levels

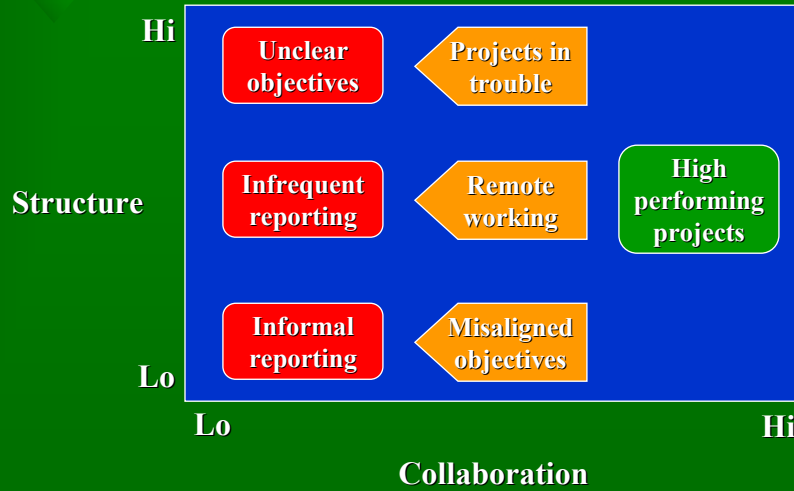
Schizophrenic clients

- Fortnightly written reports
 - ↳ trust performance data
 - ↳ don't trust risk and issues
- Weekly verbal reports
 - ↳ trust risk and issues
 - ↳ don't trust performance data
- They want both
- The client's interest in progress is a necessary condition for project success

Communication frequency

- Calendar driven or event driven?
 - ↳ client's want regular communication
 - ↳ once every two weeks
- Three types
 - ↳ daily informal contact
 - ↳ fortnightly or monthly formal contact
 - ↳ milestones

Loss of communication on projects



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Features of the POC

- Use temporary work processes
 - ↳ HRM configuration constantly changes
- Dynamic work environment
 - ↳ stresses for employees
- Specific competencies
 - ↳ for working on projects, programs and portfolios
- Uncertain requirements
 - ↳ difficult to predict resource requirements
 - ↳ people don't know their future assignments
 - type of work, location, colleagues
- Multiple role demands
 - ↳ different roles on different projects
 - ↳ one project as a team member, one as the project manager
- High stress
 - ↳ employee well-being an issue

HRM

- HRM is a core process in all organizations
- Two roles
 - ↳ selecting and developing employees of superior competence
 - ↳ and ensuring their well being and commitment

HRM should be linked

- Vertically to strategy
 - ↳ support the strategic choice to be project oriented
- Horizontally to other operational processes
 - ↳ support project-based working
 - ↳ motivate people working on projects
- Horizontally to itself
 - ↳ facilitate cooperation between line managers and project managers
- Horizontally to the context
 - ↳ support employee well-being in the transient, dynamic context of projects

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HRM in the classically managed organization

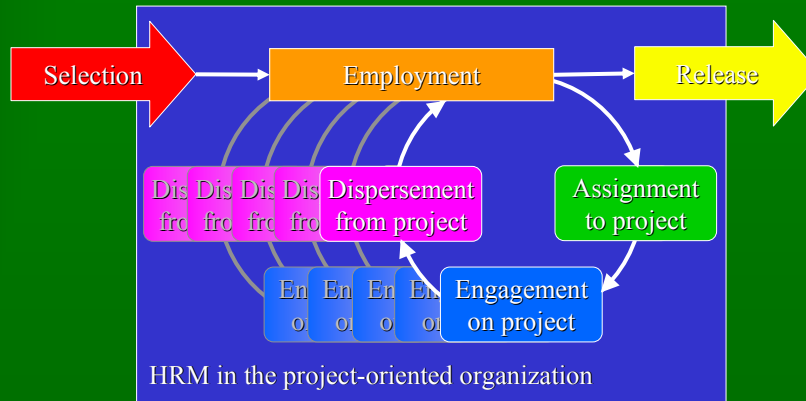


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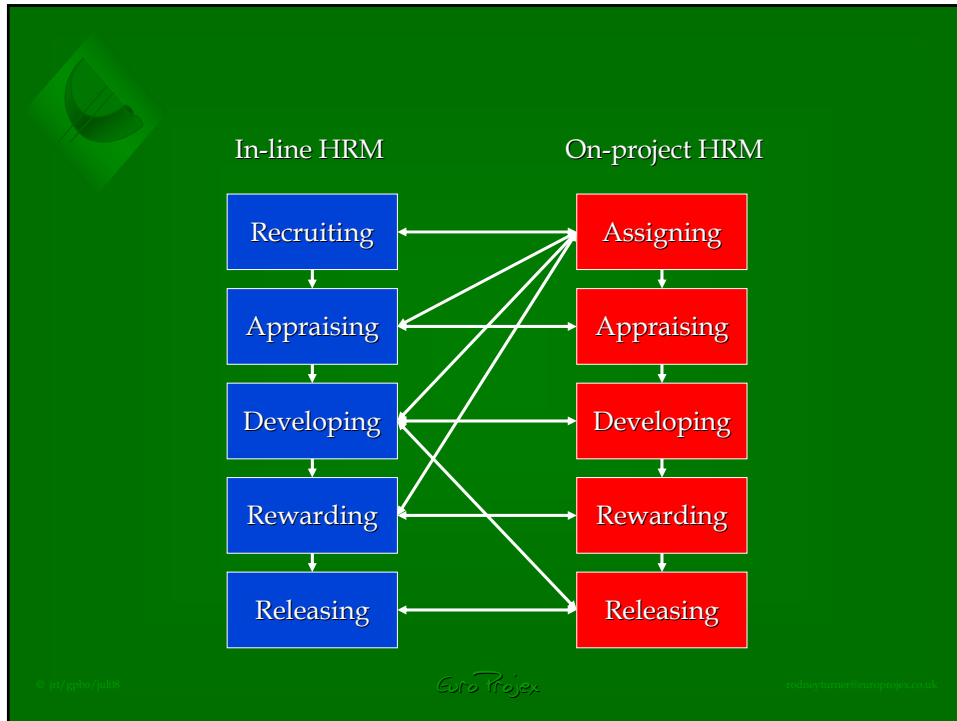
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HRM in the project oriented organization



HRM practices and processes





- ## Selection-assignment
- In-line
 - recruit people to work on projects
 - recruit people quickly to meet the needs of project mobilization
 - ensure all people have the same terms and conditions of employment
 - ensure project team members adhere to the organization's policies
 - On-project
 - forecast future demands

Selection

- Core workers
 - ↳ searching and scanning practices
 - ↳ headhunting - direct and through agencies
 - ↳ use of grapevine and contacts very important
 - ↳ role of managers as 'monitors' very important
 - ↳ project, trial and work experience
 - ↳ liaison with knowledge provider
- Periphery
 - ↳ increasingly outsourced
 - ↳ can take too long to recruit someone
 - ↳ headhunters don't understand project management

Assignment

- Identify people to work on project
- Transfer them to project
- Starts in the line, finishes on the project
- Medium projects
 - ↳ most invasive
- Large projects
 - ↳ linked to corporate planning cycle
- Small assignments
 - ↳ projects assigned to people



Appraisal

- In-line
 - ↳ incorporate project appraisals
 - ↳ more motivation and cohesiveness of the project team
- On-project
 - ↳ perform on-project appraisals in a way consistent with the line



Appraisal

- Formal appraisal almost always conducted in the line
 - ↳ except on large projects when people may be transferred to the project
- Information gathered on projects
 - ↳ either as formal project appraisal
 - ↳ or as 360° appraisal
 - ↳ or as informal approach by line manager to pm



Development

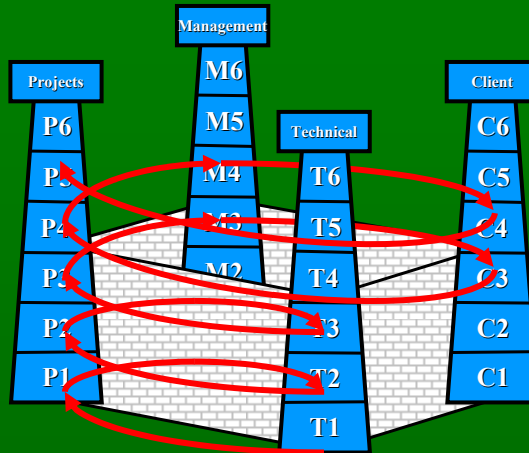
- In-line
 - ↳ develop people competent to work on projects
 - ↳ ensure succession planning of project and program managers
 - ↳ ensure good people are not locked in dead-end line jobs
 - ↳ provide career paths for project managers
- On-project
 - ↳ ensure specific on-project development is compatible with in-line career goals
 - ↳ ensure project assignments meet the organization's and individual's needs for development



Development

- Development usually determined in the line
 - ↳ even on large projects
 - ↳ time horizon for development longer than projects
- Development needs need to be taken account of at project assignment
- Development needs to identify new project experiences required
 - ↳ enlightened organizations transfer a person from an existing project if the desired experience arises elsewhere on a new project

Spiral staircase career - contracting companies

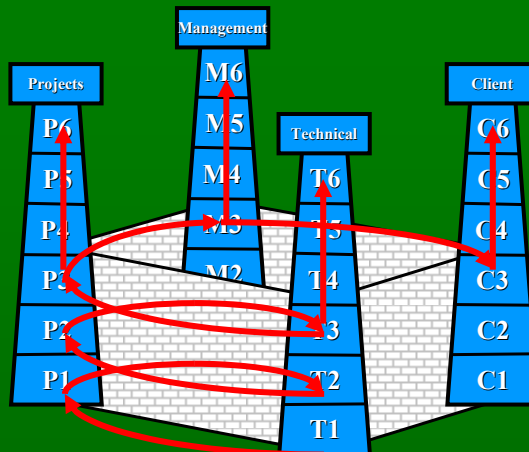


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Battersea power station career - vendor organizations



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Battersea Power Station



Training

- Training usually undertaken in the line
- Training on projects may be done to acquire specific project related competencies
 - ↳ language or cultural training
 - ↳ legacy software
- Rate at which project team members can be briefed about the status of the project can limit team growth
 - ↳ progress of work
 - ↳ legacy systems and software
- People can need training to use new technology developed by the project

Dispersement-release

- In-line
 - ↳ capture knowledge from temporary workers as they leave the organization
 - ↳ retain a network of temporary workers
 - incompatible with some organization's policies
- On-project
 - ↳ capture knowledge at the end of the project
 - ↳ ensure project workers are returned promptly to the line

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Dispersement

- Not an issue on small or large projects
- Manage assignment at end of project
 - ↳ transfer to new project
 - ↳ hold for forthcoming project where their skills will be better suited
 - ↳ transfer to functional duties in the line
 - ↳ hold in abeyance in the line
 - sitting on the bench
 - doing training
 - doing development work
- Debrief about project performance as part of knowledge management

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