The Paradox of Project Control in Matrix Organisations

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Agenda

• Some Definitions
• ‘Zone of unpredictability’
  • Effects of uncertainty within the project and around the project
• Project control and relationships
  • Project relationships
  • Directions of PM influence
• Delivering project outcomes
Project Control

Control = Regulate or restrain

Controlling processes:
• Performance Reporting
• Integrated Change Control

Facilitated by processes to control:
• Cost, scope, schedule, quality, risk

*It’s the role of the Project Manager to control the project*

The Paradox (es)

Paradox = contradictory or absurd

Paradox 1: Change (even planned change) is not linear and outcomes may be unpredictable

Paradox 2: PMs must deliver project outcomes in environment of change and uncertainty

Paradox 3: When project costs or schedules deviate from the plan through unpredictable events, management reaction to regain control is even more control – the result is often more instability.
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Matrix Organisation

Chief Executive

Functional Manager

Staff

Project Manager

Staff

Project Success Stakeholders

Strategic directions
Shareholder value
EBIT etc

Tactical directions
Functional M’ment
KPIs etc

Functional Manager

Staff

Project Coordination

Staff

The Zone of Unpredictability

• Highly complex and dynamic ‘organism’
• Between organisation's strategic vision and projects that deliver the vision
• Covers management initiatives to:
  – Improve productivity
  – Control all aspects of organisation's output
• Includes:
  – Fads such as BPR, TQM, Covey
  – ‘Good’ such as OPM3, CMMI
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The Zone

Chief Executive

Strategic directions
Shareholder value
EBIT etc

Project Coordination

The Zone of Unpredictability

• Uncertainty,
• Ambiguity
  (conflicting goals + inadequate information)
• Turbulence (instability + randomness)

What happens in the Zone?
Uncertainty

Uncertainty has two sources:

• Complexity – information available but too costly or time-consuming

• Predictability – the past is not a reliable guide to the future

Uncertainty = Risk WHEN enough data is available to assign meaningful probabilities to information required

Sources:
Galbraith, J (Organizational Design, 1977)
Winch, G, Managing Construction Projects, 2002

Ambiguity

We are not sure what is really happening

Different people want different things

We don’t have enough time, attention or funds

We are not sure what the problem is

We are not sure how to know when we are successful
The Uncertainty Effect

Uncertainty, ambiguity, turbulence affects EVERYONE

Managers –
• Apply more controls
• Try something new (fads)

Others + managers
• Withdrawal
• Resistance
• Escape
• Solidarity

Time to try something NEW!!!
Theory of linear change

A

Strategic Management

Strategic Objective

B

Command

Where we're going

The 'zone' (Middle Management)

Clear Transmission of Objectives

Where we are

Project Management

Project Objective

a

Effect of the ‘zone’

A

Strategic Management

Strategic Objective

B

Command

Effect

The 'zone' (Middle Management)

Clear Transmission of Objectives

Where we are

Project Management

Project Objective

a

Reaction

Control
Building project relationships

- Directions of Project manager influence

- Project manager skills and knowledge

Project Influences

- **Upwards**: Clients, unions, end users, family, suppliers, 'the public', shareholders, government
- **Outwards**: Competitors and relationship with peers and Communities of Practice
- **Sideways**: Procurement and planning
- **Forwards**: Managing oneself to ensure positive contribution
- **Backwards**: Managing sponsors and maintaining organisational commitment
- **Inwards**: Managing the team

**Key to Skills**
- **Craft of Management**
- **Art of Leadership**
- **Art and Craft Combined**
- **Third Dimension skills**
Project Stakeholders

- **Upwards** – Sponsors and others who must maintain the commitment of the Organisation
- **Outwards** – Clients, users, family, suppliers, ‘the public’, shareholders, Government
- **Downwards** – The team (core and temporary)
- **Sideways** – Peers (may be competitive or collaborative)
- **Inwards** - The project manager

Upwards

Sponsors and Other Senior Managers
- May be on the project Steering Committee
- Often the source of important project resources (functional, finance, support and key information)
- May be the beneficiary of outcomes of the project
- Can support or undermine the project and PM
Outwards

• Clients or customers
• Users of the solution
• Family of all stakeholders
• ‘The public’ – ratepayers, voters, action or lobby groups
• Shareholders
• Suppliers – of workers, of material, of services
• The Government – regulations, legislation, ownership

Downwards

The project team
• In-house (staff)
• From different organisations (outsource, contracts)
• Specialists may join the team for a short time
• No longer the same group from project start to finish
• May be virtual
Sidewards

The project manager’s peers
• Are they supportive?
• Or are they disruptive or non-supportive?
• Can be a good source of information and moral support
• May be in competition for scarce resources

Sidewards

Communities of Practice
• Groups of likeminded people (usually same technical or professional background)
• Support
• Information
• Education
Building project relationships

- Directions of Project manager influence

- Project manager skills and knowledge

Beyond Managing and Leading

Dimension 1 “CRAFT” - Applying Techniques

Dimension 2 ART - "Relationships"

Dimension 3 BEYOND LEADING & MANAGING - "Tapping The Powerlines"
Project Control and Relationships

Environmental complexity means that to succeed:

- PMs must establish and maintain relationships with stakeholders
  - Within the project and
  - Beyond the project organisation
- The PM must balance the requirements of PM art and craft, management and leadership
- The PM must also know how to work within the Organisation's cultural and political environment.

Delivering Project Outcomes

The Stakeholder Circle

Stakeholder engagement

Communication Strategies

Implementation
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Prioritisation

Not all stakeholders are equal!!!
The relative importance of Stakeholders can be assessed by considering three factors.

- Proximity - are they closely associated or relatively remote from the project?
- Power - is their power to influence significant or relatively limited?
- Urgency – are they prepared to go to any lengths to achieve their outcomes

Prioritisation - Proximity

- How closely is this person or group associated with the day-to-day running of the project?
- Examples (high proximity)
  - Project manager
  - Team members
- Examples (low proximity)
  - Suppliers
  - Clients
  - CEO
  - Shareholders
Prioritisation - Power

‘Power over’ – positional power
  – formal authority derived from statutory or organisational authority

‘Power to’ – political power
  – control over decision processes; coalitions; co-option; and institutionalisation

Personal power
  – derived from human relationship influences or traits: expertise; friendship/loyalty; and charisma.

Prioritisation - Urgency

“Calling for immediate attention”
“Compelling”
  • When a relationship or claim is time-sensitive
  • When the relationship or claim is important or critical to the stakeholder
  • Sometimes a ‘lone, powerless voice’ that strives to be heard
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Stakeholder Analysis

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Connection to project</th>
<th>Power</th>
<th>Peer</th>
<th>Urg</th>
<th>Index</th>
<th>Priority</th>
<th>Significance to project</th>
<th>Requires from project</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. Smith</td>
<td>CFO</td>
<td>Sponsor</td>
<td>3</td>
<td>3</td>
<td>2.8</td>
<td>2.8</td>
<td>High</td>
<td>Withdraw funds</td>
<td>Must project decisions</td>
<td></td>
</tr>
<tr>
<td>F. Jones</td>
<td>Architect</td>
<td>Team leader/Team member</td>
<td>3</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>Managed as team member</td>
<td>Technical needs analyst</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Brown</td>
<td>Cost Centre Manager</td>
<td>User of application</td>
<td>3</td>
<td>3</td>
<td>2.5</td>
<td>2.5</td>
<td>High</td>
<td>Service to request</td>
<td>Typically requires solution, works with Project team to develop solutions</td>
<td></td>
</tr>
<tr>
<td>T. Green</td>
<td>Manager of consulting firm</td>
<td>Supplier</td>
<td>3</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>Low</td>
<td>Communications</td>
<td>Consistently provides information for timely placement of people</td>
<td></td>
</tr>
<tr>
<td>S. O'Brien</td>
<td>Site Manager</td>
<td>Supplier to contract to project</td>
<td>3</td>
<td>3</td>
<td>2.1</td>
<td>2.1</td>
<td>Medium</td>
<td>Technical needs to be applied - project impact on commercial processes needed</td>
<td>Requires reports delivered to plan</td>
<td></td>
</tr>
<tr>
<td>M. Donaldson</td>
<td>Product Manager</td>
<td>Benefits from application</td>
<td>3</td>
<td>3</td>
<td>2.8</td>
<td>2.8</td>
<td>High</td>
<td>Commercial processes critical to success of new product launch</td>
<td>Requires reports delivered to plan</td>
<td></td>
</tr>
<tr>
<td>S. Harris</td>
<td>Commercial Developer</td>
<td>Team member</td>
<td>3</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>Managed as team member</td>
<td>Commercial processes critical - new product launch</td>
<td>Requires reports delivered to plan</td>
<td></td>
</tr>
<tr>
<td>K. Thompson</td>
<td>Project Manager</td>
<td>Commercial Process</td>
<td>3</td>
<td>3</td>
<td>2.5</td>
<td>2.5</td>
<td>High</td>
<td>Technical processes critical to contract</td>
<td>Requires reports</td>
<td></td>
</tr>
<tr>
<td>M. Crofts</td>
<td>PM, Project 'b'</td>
<td>PM's peer</td>
<td>3</td>
<td>3</td>
<td>2.3</td>
<td>2.3</td>
<td>High</td>
<td>Generally considered a key management action</td>
<td>Requires reports delivered to plan</td>
<td></td>
</tr>
</tbody>
</table>

Building the Stakeholder Circle

The Stakeholder Circle

- This Stakeholder has a low level of urgency but the power to kill the project
- The project team are close to the project and have a medium level of urgency but low power
- The project clients may have limited individual urgency and be remote but have a significant level of power and high level of urgency as a group

These stakeholders are relatively remote but need attention (e.g., suppliers)
This is an influential Stakeholder close to the project (e.g., the Project Manager)
This group of Stakeholders has a medium level of urgency and the power to kill the project (e.g., a project board)

Figure 1
Stakeholder Engagement

What is Stakeholder Engagement?

• Developing a communication strategy that:
  – Delivers the appropriate message to each individual or group shown on the Stakeholder Circle
  – Ensures that the appropriate team member delivers the message
  – Ensures that the message is delivered at the appropriate frequency AND THEN

• Implementing the strategy as defined
• Ensuring that the communication program is reported and reviewed regularly

Why is it important?

• The Stakeholder Circle has identified those individuals or groups who can cause the project to succeed or fail, by their action or lack of action
• Stakeholders who are engaged are interested in the welfare of the project and committed to its success
• An engagement strategy must be developed and implemented to engage stakeholders who are not interested or committed
Communications

PMBOK (Guide of PM Body of Knowledge) says 90% of project work is about communications
• Reports
• Meetings
• Formal and informal written (reports and emails)
• Formal and informal oral (presentations and corridor chats)
• Coffee or lunch

Communications Strategy

• Who is to be communicated to
• Who will do the communicating
• What do they want to hear
  – No more and no less
• How often
• How to ensure the right message is being transmitted
• And received!
Implementing the Strategy

<table>
<thead>
<tr>
<th>Name</th>
<th>H / M</th>
<th>Significance to project</th>
<th>Requires from project</th>
<th>Message</th>
<th>I</th>
<th>S</th>
<th>Method</th>
<th>Team Member</th>
<th>Frequency</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Crofts PM, Project 'N' PM's peer</td>
<td>H</td>
<td>Urgent negotiations re project resource + risk management actions</td>
<td>Acceptable solution re project resource + Colleague</td>
<td>News</td>
<td>3</td>
<td>4</td>
<td>O</td>
<td>PM</td>
<td>As required</td>
<td></td>
</tr>
<tr>
<td>M. Donaldson Product Manager</td>
<td>H</td>
<td>Project's solution is integral to successful new product launch</td>
<td>Project and benefits delivered to plan</td>
<td>Report</td>
<td>1</td>
<td>1</td>
<td>F</td>
<td>RW</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>C. Smith CFO, Sponsor</td>
<td>H</td>
<td>Power to reallocate funds to support projects</td>
<td>Delivery of CSFs + Most project objectives</td>
<td>Reports</td>
<td>2</td>
<td>3</td>
<td>F</td>
<td>W</td>
<td>PM</td>
<td>M</td>
</tr>
<tr>
<td>T. Brown CTC/ Controller User</td>
<td>H</td>
<td>Power to call meetings + impact progress</td>
<td>Solution that works and meets operational needs</td>
<td>Reports</td>
<td>2</td>
<td>4</td>
<td>F</td>
<td>W</td>
<td>OL</td>
<td>M</td>
</tr>
<tr>
<td>M. Thompson Programme Director/PMs supervisor</td>
<td>M</td>
<td>Requires progress reports from PM</td>
<td>Colleague influence in support of PMs needs</td>
<td>Reports</td>
<td>2</td>
<td>2</td>
<td>F</td>
<td>W-O</td>
<td>PM</td>
<td>M</td>
</tr>
<tr>
<td>K. O'Brien Sales Manager Supplies resource to project</td>
<td>M</td>
<td>Risk management needs to be applied – major impact on project if resource withdrawal</td>
<td>Project and benefits delivered to plan</td>
<td>Reports</td>
<td>3</td>
<td>3</td>
<td>F</td>
<td>W</td>
<td>PM</td>
<td>M</td>
</tr>
<tr>
<td>K. Jones Architect Specialist team member</td>
<td>M</td>
<td>Important technical team member – assignment requires negotiation with functional manager</td>
<td>Colleague working conditions, interesting work</td>
<td>Team meetings</td>
<td>3</td>
<td>3</td>
<td>O</td>
<td>PM</td>
<td>M</td>
<td></td>
</tr>
</tbody>
</table>

Maintaining Engagement

- Review Comms Plan and its implementation at Project Risk Review meetings
- Assess effectiveness
- New analysis:
  - At each phase
  - When conditions change
  - When Stakeholders change (restructures)
  - When team dynamics change
  - Anything else changes
Derailment Factors – A lack of:

- **Insight** raw data instead of root cause analysis, trend variance
- **Disclosure** not highlighting assumptions or just the ‘good news’
- **Flexibility** and adjusting delivery in terms of tone, pace, sequence
- **Teamwork** through self promotion and not recognising others
- **Objectivity** an unduly negative/pessimistic outlook
- **Reliability** in following through on promises and actions
- **Composure** and remaining professional under pressure
- **Adaptability** to a new situation or a new relationship
- **Reflection** and accepting feedback to learn, improve
- **Resilience** and ability to bounce back from setbacks
- **Discretion** in sharing information inappropriately

Inch, Adrian, Effective Communication, PMI, WIPM Conference, March 2003

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Conclusion

The Project Manager cannot control the unpredictable events that affect project success

The Project Manager cannot control the complexity of the world outside the project

The Project Manager CAN manage uncertainty through:

- Information flows into and out of the project

AND

- Communication
- Communication
- Communication
Questions Please

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