

The Paradox of Project Control In Matrix Organisations

Lynda Bourne BA Hons PMP CMAACS



PMOZ August 2004

1



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**

PMOZ August 2004

2



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

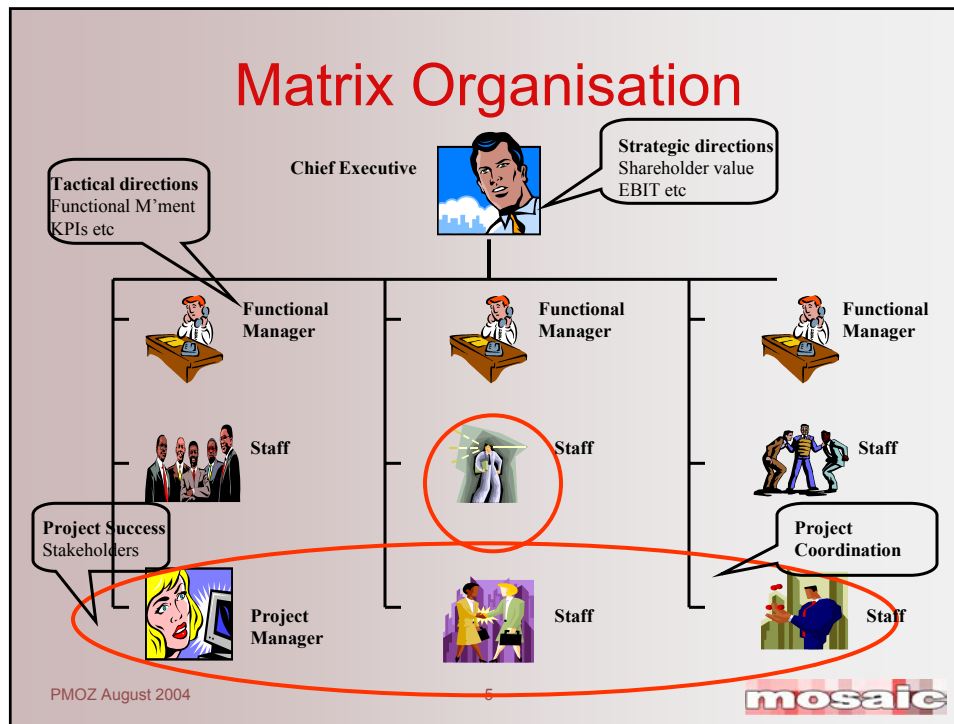
The Paradox (es)

Paradox = contradictory or absurd

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

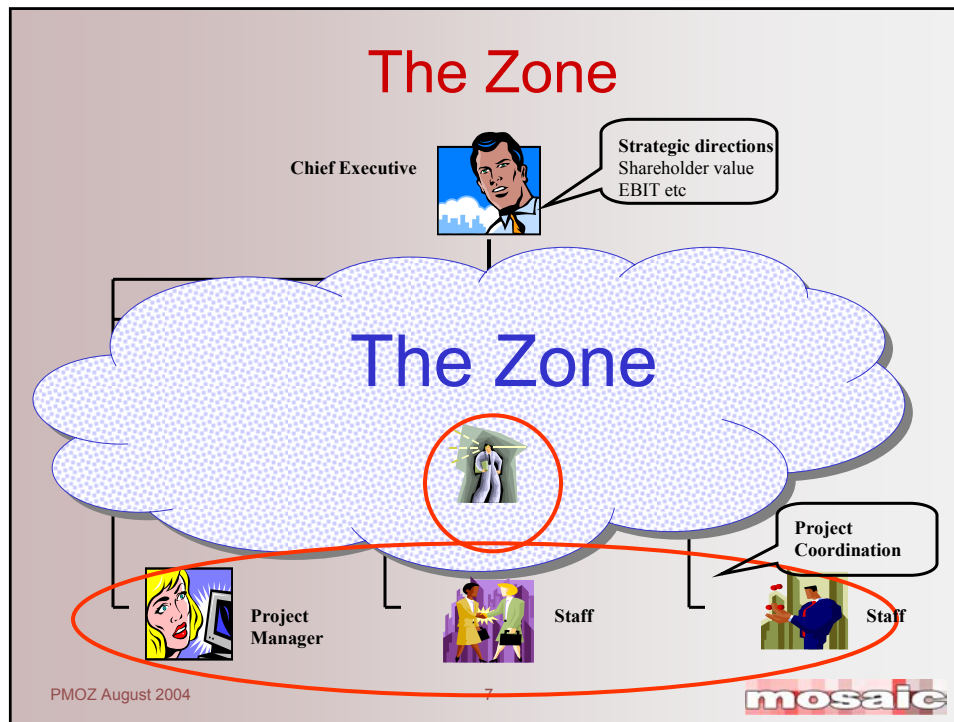
Paradox 2: PMs must deliver project outcomes in environment of change and uncertainty

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.



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



The Zone of Unpredictability

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

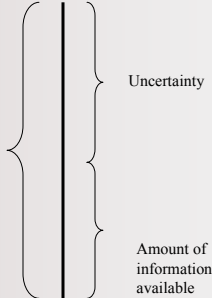
What happens in the Zone?

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

Amount of information required for the decision



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

PMOZ August 2004

9



Ambiguity

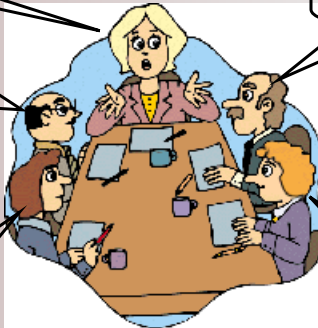
We are not sure what is really happening

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



PMOZ August 2004

10



The Uncertainty Effect

Uncertainty, ambiguity, turbulence affects

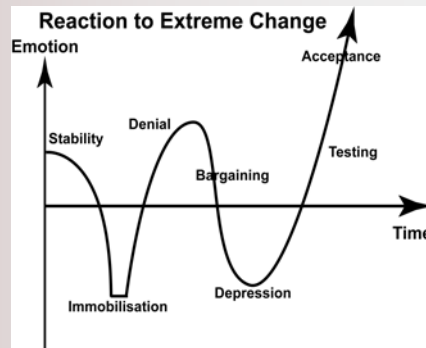
EVERYONE

Managers –

- Apply more controls
- Try something new (fads)

Others + managers

- Withdrawal
- Resistance
- Escape
- Solidarity



Adapted from Turner, R *The PM as Change Agent*, AIPM conf 2002

The Uncertainty Effect

Uncertainty, ambiguity, turbulence affects

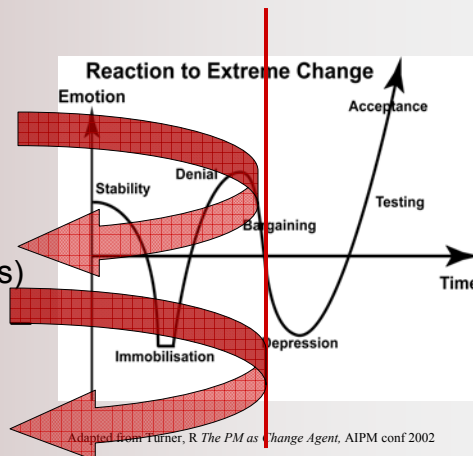
EVERYONE

Managers –

- Apply more controls
- Try something new (fads)

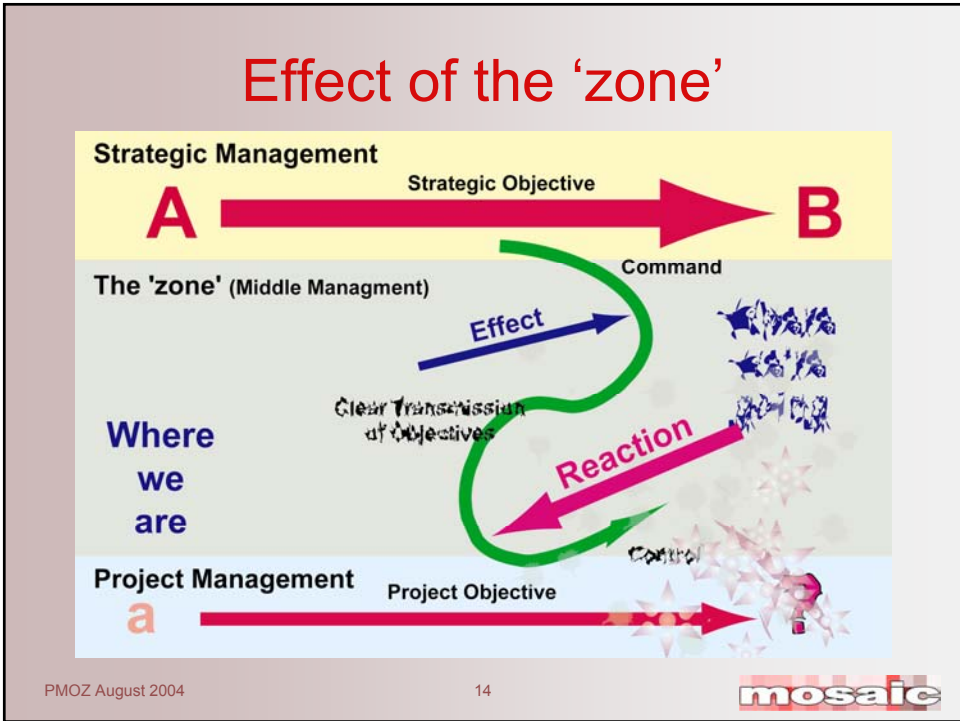
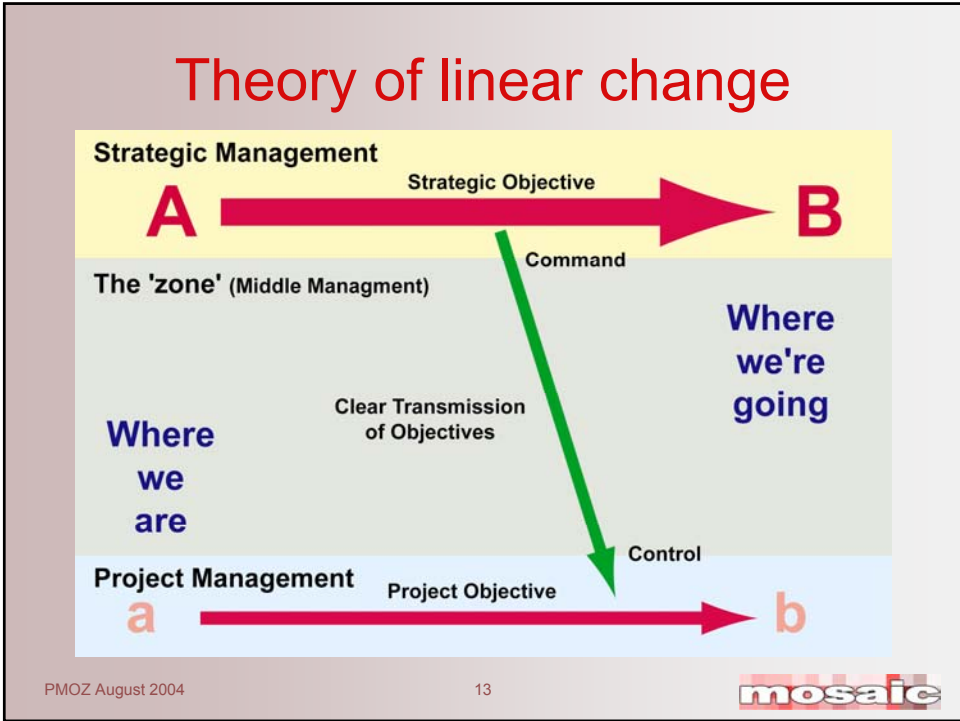
Others (and Managers)

- Withdrawal
- Resistance
- Escape
- Solidarity



Adapted from Turner, R *The PM as Change Agent*, AIPM conf 2002

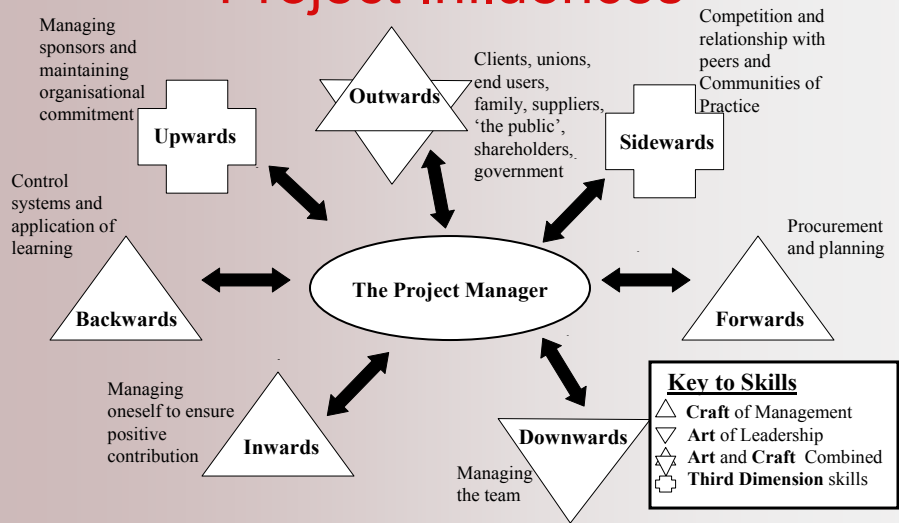
Time to try something NEW!!!



Building project relationships

- Directions of Project manager influence
- Project manager skills and knowledge

Project Influences



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

PMOZ August 2004

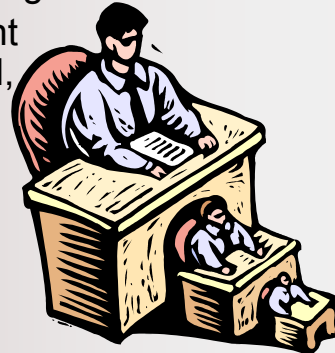
17

mosaic

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



PMOZ August 2004

18

mosaic

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

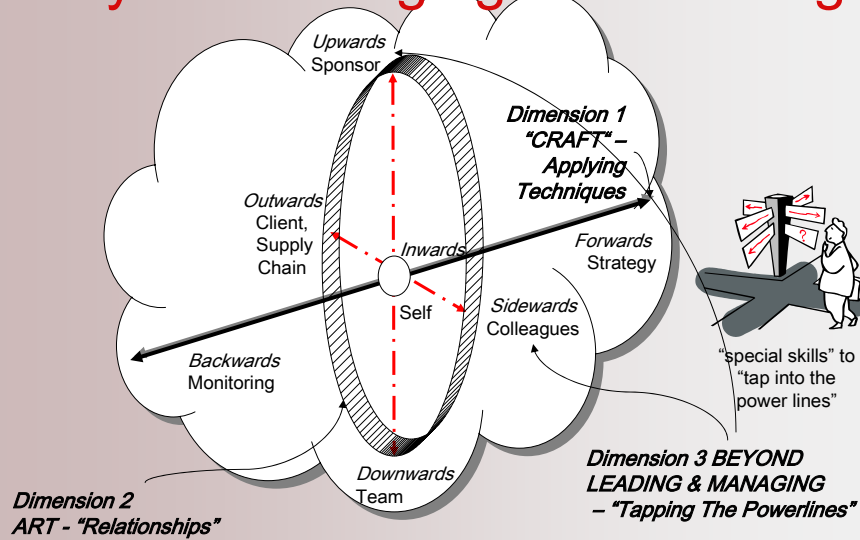
- Groups of likeminded people (usually same technical or professional background)
- Support
- Information
- Education



Building project relationships

- Directions of Project manager influence
- Project manager skills and knowledge

Beyond Managing and Leading



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

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

Stakeholder Analysis

Name	Role	Connection to project	Power	Prox	Urg	Index	Priority	Significance to project	Requires from project	Commenting
J. Smith	CFO	Sponsor	3	2	3	2.6	High	Power to withdraw funds	Deliver CSFs Meet project objectives	
F. Jones	Architect	Specialist team member	2	3	1	2.0	Managed as team member	Important technical team member	Good working conditions, interesting work	
R. Brown	Call Centre Manager	User of application	2	2	4	2.6	High	Power to reject, urgently requires solution, works with Project team to develop solution	Solution that works and meets operational needs	
T. Green	Manager of contacting firm	Supplier	2	2	2	2.0	Low - Commercial processes apply	Provides effective people consistently	Appropriate information for timely placement of people	
K. O'Brien	Sales Manager	Supplies BA resources to project	3	2	2	2.3	Medium	Risk management needs to be applied - major impact on project if resources withdrawn	Project and benefits delivered to plan	
M. Donaldson	Product Manager	Benefits from application	2	2	5	3.0	High	Project's solution is integral to success of new product launch	Project and benefits delivered to plan	
N. Burns	Contract developer	Team member	1	3	2	2.0	Managed as team member	Team member	Good working conditions, interesting work	
K. Thompson	Program Director	PM's supervisor	3	2	3	2.6	Medium	Requires progress reports from PM	Progress reports	
M. Crofts	PM, Project 'b'	PM's peer - requires same resources	3	2	5	3.3	High	Urgent negotiations re project resource + risk management actions	Acceptable solution re project resource Collegiality	

Building the Stakeholder Circle

The Stakeholder Circle

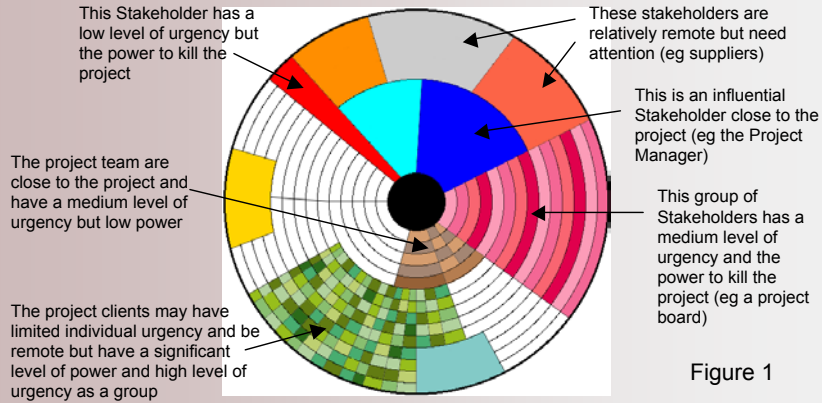


Figure 1

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

PMOZ August 2004

33



Stakeholder Engagement

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

PMOZ August 2004

34



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

Name	H / M	Significance to project	Requires from project	Message	I	S	Method	Team Member	Frequency W/F/M/Ot her
M. Crofts PM, Project 'b' PM's peer	H	Urgent negotiations re project resource + risk management actions	Acceptable solution re project resource Collegiality	News Requests	3	4	I O	PM	As required
M. Donaldson Product Manager	H	Project's solution is integral to success of new product launch	Project and benefits delivered to plan	Reports Meetings	1	1	F W	RW	M
J. Smith CFO Sponsor	H	Power to withdraw funds + impede progress	Deliver CSFs Meet project objectives	Reports Meetings	2	3	F W	PM	M
R. Brown Call Centre Manager User	H	Power to reject, urgently requires solution, works with Project team to develop solution	Solution that works and meets operational needs	Reports Meetings News	2	4	I+ F W	DL	M+ as required
K. Thomson Program Director PM's supervisor	M	Requires progress reports from PM Can use influence in support of PM's needs	Progress reports Project success = part of RRI	Reports Meetings	2	2	F+I W+ O	PM	M (formal) F (informal)
K. O'Brien Sales Manager Supplies resources to project	M	Risk management needs to be applied – major impact on project if resources withdrawn	Project and benefits delivered to plan	Reports Meetings	3	3	F W	PM	M
F. Jones Architect Specialist team member	M	Important technical team member – assignment requires negotiation with functional manager	Good working conditions, interesting work. Negotiated term	Team meetings	3	3	F+I O	PM	W (team meetings + one-on-one)

PMOZ August 2004

37



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

PMOZ August 2004

38



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

PMOZ August 2004

39



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

PMOZ August 2004

40



Questions Please



Lynda Bourne

lyndab@mosaicprojects.com.au

03 96861424

The paper supporting this presentation can be downloaded from:
www.mosaicprojects.com.au (Select 'Resources & Papers')