

CHAPTER 4

Organizational Capability: Structure, Culture, and Roles

CHAPTER OBJECTIVES

After completing this chapter, you should be able to:

CORE OBJECTIVES:

- Compare and contrast the advantages and disadvantages of the functional, project, strong matrix, balanced matrix, and weak matrix methods of organization; describe how each operates and when to use each.
- Relate how an organization's structure influences the implementation of its strategic plan.
- Describe organizational culture elements that are helpful in planning and managing projects and demonstrate how to overcome organizational culture elements that hinder project success.
- Describe different project life cycle models and distinguish when each is appropriate.

BEHAVIORAL OBJECTIVES:

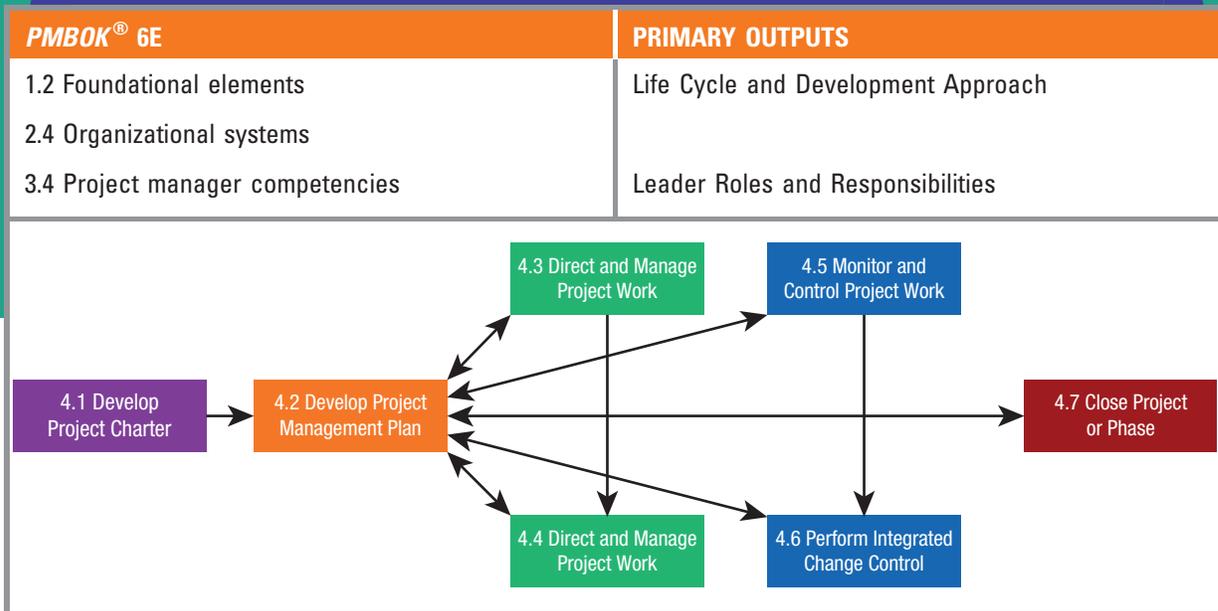
- Describe the duties, motivations, and challenges of each of the executive, managerial, and team roles in projects and list important attributes for selecting each.
- Given a project situation, explain ethical behavior consistent with PMI's Code of Ethics and Professional Conduct.
- Predict the impact of organizational structure and associated culture on individual and team behaviors.
- Predict the impact of organizational structure and associated culture on individual and team performance.



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We implement project management best practices for the purpose of increasing the likelihood for project success. Formerly, as an executive, I was responsible for establishing, operating, and evolving a national project management office (PMO) for one of the nation's largest print/mail and electronic outsourcing firms. **Organizational structure, culture, roles** and responsibilities of project participants, and **project life cycle standard processes and tools** were critical influencers to achieving project success. As there is no single way to implement project management, how we chose to address each influencer shaped the way projects were managed. A snapshot of our approach follows:

From an operations perspective, there was a strategic need to implement a centralized approach to project management. Through a number of mergers and acquisitions, 10 geographically dispersed operation centers were servicing a broad range of expanding customer needs. As a result, two key factors were at play. One: the customer base was growing from regionally based to nationally based customers. Two: the best-of-the-best operations technology needed to be leveraged across all centers. Structurally, the decision was made to consolidate



PMBOK® GUIDE

Topics:

- 1.2 Foundational elements
- 2.4 Organizational systems
- 3.3 The project manager's sphere of influence
- 3.4 Project manager competencies
- 4.1 Develop project charter
- 4.2 Develop project management plan
- 4.3 Direct and manage project work
- 4.4 Manage project knowledge
- 4.5 Monitor and control project work
- 4.6 Perform integrated change control
- 4.7 Close project or phase

CHAPTER OUTPUTS

- Life Cycle and Development Approach
- Leader Roles and Responsibilities

operation centers to three, geographically in the East, Central, and West. This meant that internal and external projects that applied nationally could no longer be managed at a regional level using only regional resources. A new type of project manager was needed to manage national resources using a standardized set of practices. Creating a matrixed project organization to serve the functional organization was the first phase.



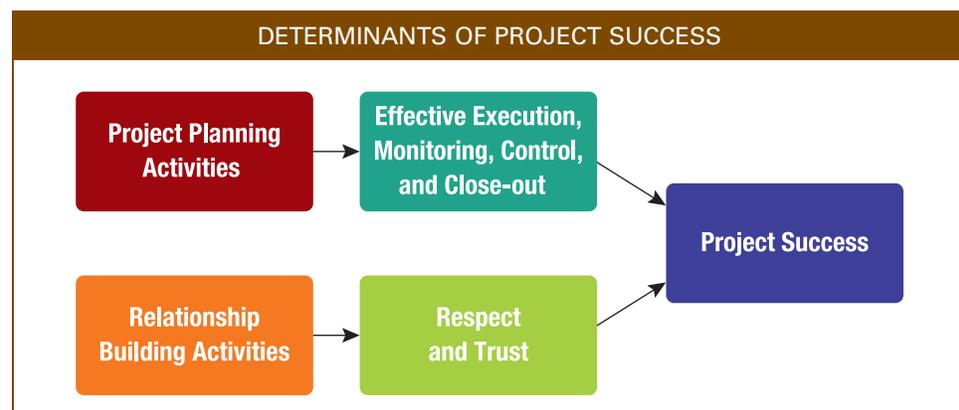
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Ensuring the culture would accept and support these changes was critical to success as change is not easy and resistance was anticipated. Senior management buy-in was essential and plans were implemented to dialogue, collaborate, and communicate the benefits of a PMO throughout the organization. The PMO's first mission was to establish national project management standards and manage a select few strategic national projects with a limited set of project managers. Proof of concept was key to continued buy-in. Clear roles and responsibilities for executive sponsors, project managers, and project team members were collaboratively established. Standard processes and tools used by the project teams were jointly developed. Training occurred from the executive suite to project managers and project team members. As time progressed, project success rates increased and the PMO responsibilities were expanded to include the project management of all strategic operational projects and new customer implementations. Career paths for regional project managers were established. Selected regional project managers were promoted and trained to be national project managers. The organizational structure changed with selected regional project managers reporting to the national PMO. The executive sponsorship roles continued to evolve along with standard processes and practices to facilitate new responsibilities. In *Improving Executive Sponsorship of Projects: A Holistic Approach*, additional insight on each influencer, considerations, pitfalls, and tips for project management implementation approaches can be found.¹

—Dawne E. Chandler, PhD, PMP

Chapter 2 dealt with organizational issues of strategic planning, selecting, and resourcing projects. Chapter 3 details how to initiate a project—usually by composing and ratifying a charter. This chapter introduces both project leadership and project planning. Leadership in this chapter includes organizational structure and culture along with roles of all key project participants. Planning is introduced in the selection of the project life cycle approach and introduction to the concept of a project plan. Both project leadership and planning lead to project success, as shown in Exhibit 4.1. Effectively leading project team members and other stakeholders leads to a foundation of respect and trust, which, in turn leads to project success. Effective project planning lays the groundwork for effective project execution, monitoring, control, and closeout, which also lead to project success.

EXHIBIT 4.1



4-1 Types of Organizational Structures

Contemporary companies choose among various methods for establishing their organizational structure. Organization structure is often developed by grouping people together based on criteria such as functional or technical skills or long-term activities. The structure size and complexity increase with the increase in the number of employees. The structure is the way in which an organization divides its people into distinct tasks to achieve coordination among all these groups. Organizational structure can be considered to include work assignments, reporting relationships, and decision-making responsibility. Each method of structuring organizations has strengths and weaknesses. In this section, we will investigate various organizational methods and the impact of each on managing projects. The advantages and disadvantages of each organizational form are discussed in the following sections and then summarized in Exhibit 4.5.

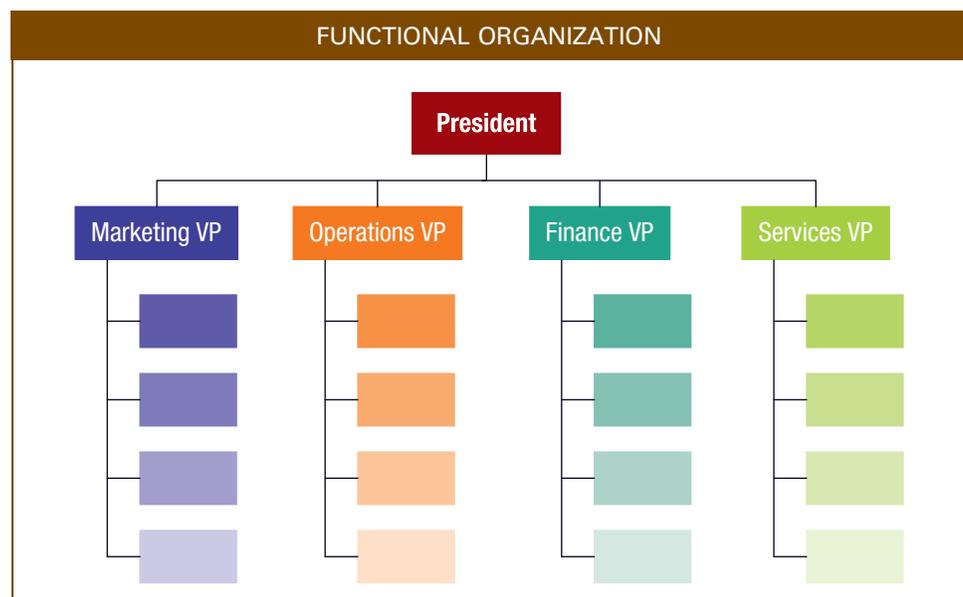
4-1a Functional

A **functional organization** is “an organizational structure in which staff is grouped by areas of specialization and the project manager has limited authority to assign work and apply resources.”² This is the traditional approach in which there are clear lines of authority according to type of work. For example, all accountants might report to a head of accounting, all marketers report to a head of marketing, and so on. An organizational chart for a functional organization is shown in Exhibit 4.2. Note that everyone in the organization reports up through one and only one supervisor. That supervisor is the head of a discipline or function (such as marketing).

The functional manager generally controls the project budget, makes most project decisions, and is the primary person who coordinates project communications outside the functional areas by contacting his or her peer functional managers.

ADVANTAGES One advantage of the functional form of organization is called *unity of command*—all workers understand clearly what they need to do because only one “boss” is

EXHIBIT 4.2



giving them instructions. Communication is vertical and clearly established. Another advantage is that since all workers in a discipline report to the same supervisor, they will have an opportunity to interact frequently and can learn readily from each other and keep their technical skills sharp. Having the same supervisor also acts as a motivating factor for several employees to maintain and improve their technical expertise. A third advantage is that workers know that when they finish work on a project, they will still have a job because they will continue to report to the same functional manager. For small projects that require most of the work from one department, the functional organization often works well, both because of the advantages already stated and because the functional manager can share resources among various small projects and centrally control the work.

DISADVANTAGES That said, the functional form of organization can slow down communications when multiple functions need to have input. It also can be challenging from a technical standpoint if input is required from multiple disciplines. The functional manager is probably quite good within his or her domain, but may have less understanding of other disciplines. However, in small organizations where most people have been forced to understand multiple areas, this may be less of an issue. Coordination between departments is frequently conducted at the manager level as the functional managers have a great deal of decision-making authority. This often means communication needs to first travel up from an employee at a low level in the structure to the manager, then across from one functional manager to another manager, and then down from the manager to an employee at a low level who will be working on it. This can become more complex when organizations have multiple levels of hierarchy within functional divisions and a chain of command must be followed. In short, coordination in a functional organization is complex and time consuming. These long communication channels often make for slow decision making and slow response to change. Integration becomes difficult and it may lead to frustration and a decrease in motivation and innovation. Also, decisions will tend to favor the strongest functional group or division. For these reasons, some organizations choose other forms of organization.

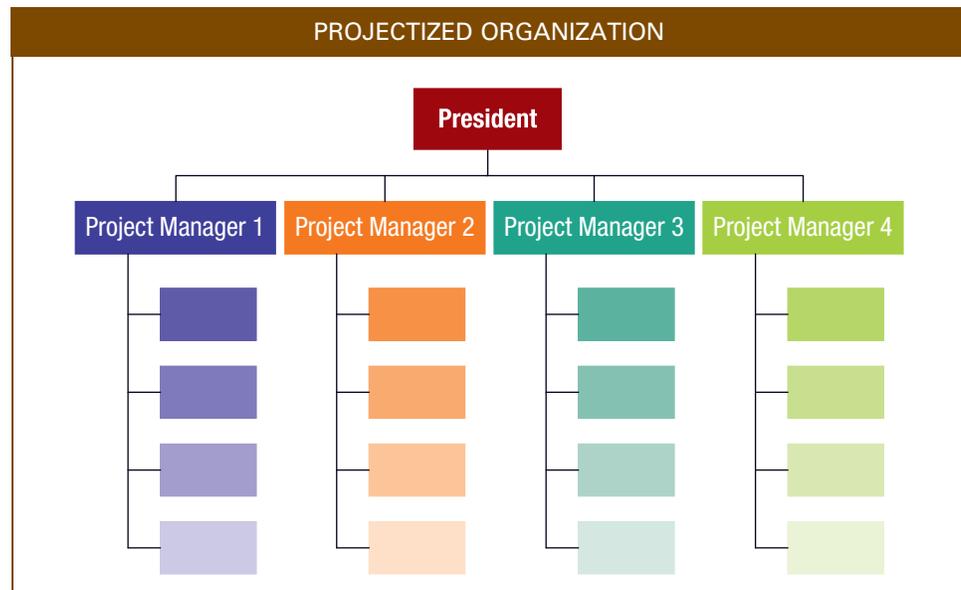
4-1b Projectized

The exact opposite form of functional organization is the **projectized organization**, which is defined as “group employees, collocated or not, by activities on a particular project. The project manager in a projectized structure may have complete, or very close to complete, power over the project team.”³ In this organizational form, the larger organization is broken down into self-contained units that support large projects, geographies, or customers. Most people in the organization are assigned to a project and report upward through the project manager, as can be seen in Exhibit 4.3. While the structure of the two organizational charts appears similar, the reporting manager is a project manager instead of a functional manager. The project manager has extensive authority for budgets, personnel, and other decision-making issues in this organizational structure. This provides adequate time for the project manager to make decisions. Projectized organization structure provides an opportunity to maintain expertise on a given project.

ADVANTAGES The advantages of the projectized organizational form are very different from the advantages of the functional form. Because people from different functions now report to the same project manager, traditional department barriers are reduced. Since the project manager is responsible for communications, response times and decision making tend to be swift. All workers understand clearly what they need to do because only one “boss”—the project manager—is giving them instructions.

Projectized organizational structures often utilize the technique of **co-location**, which is “an organizational technique in which the project team members are moved to

EXHIBIT 4.3



alternate locations (either full time or only for parts of days) to allow them to better work with one another, and on the project in general.”⁴ This co-location often results in enhanced project team identity as well as trust, collaboration, coordination, strong customer focus, and effective integration of effort on the project.

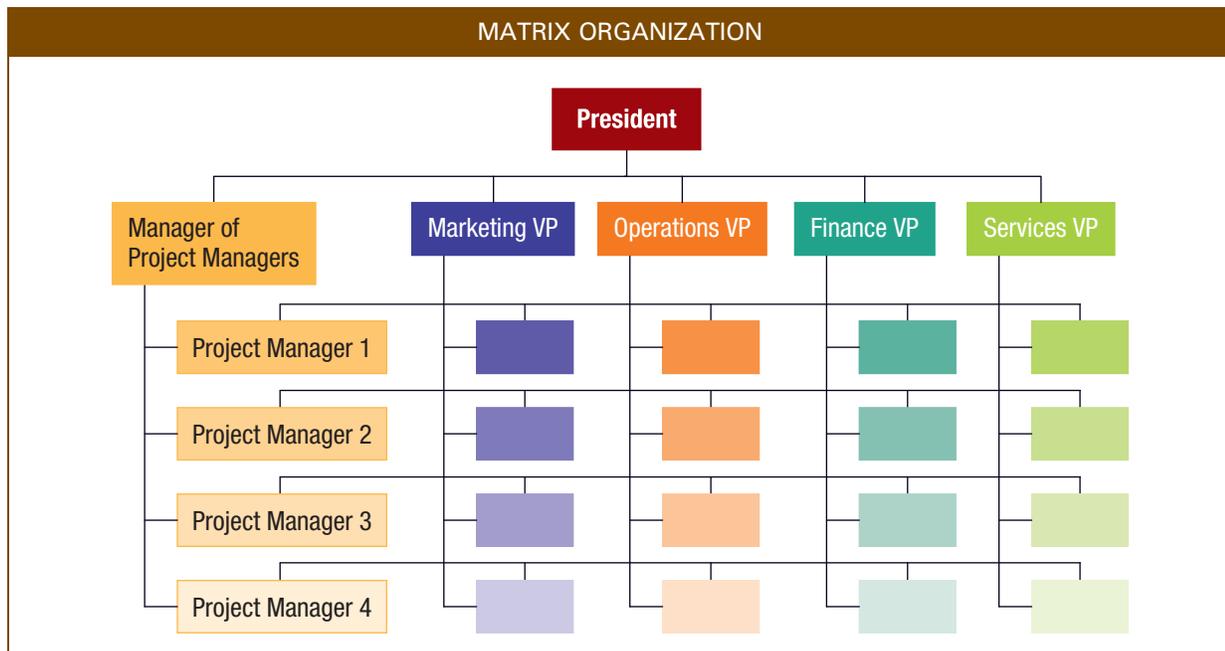
DISADVANTAGES However, this organizational form also has disadvantages. Team members are often assigned to just one project, even if the project only needs part of their time, which leads to idle time. This can be costly because project team members are retained during and even after completing the project. Since the project manager is in charge and the team may be physically located on-site rather than with the rest of the organization, some projects tend to develop their own work methods and disregard those of the parent organization. While some of the new methods may be quite useful, project teams not watched closely can fail to practice important organizational cultural norms, or accepted practices, and they sometimes fail to pass the lessons they learn on to other project teams. Team members who are co-located, while learning more about the broader project issues, often do not keep up their discipline-specific competence as well. Team members sometimes worry about what they will do when the project is completed, which leads to adverse motivational, morale, and security issues. In short, motivating people could become a challenge.

4-1c Matrix

Each of the extreme strategies already described (extreme in the sense that either the functional manager or the project manager has a great deal of authority) has strong advantages, but also significant weaknesses. In an attempt to capture many of the advantages of both, and to hopefully not have too many of the weaknesses of either, many organizations use an intermediate organizational strategy in which both the project manager and the functional manager have some authority and share other authority.

This intermediate strategy is the **matrix organization**, which is “any organization in which the project manager or project team leader actually shares responsibility for the project with a number of individual functional managers.”⁵ A matrix organization is shown in Exhibit 4.4. Note that project team members report to both functional and

EXHIBIT 4.4



project managers. This is a clear violation of the unity-of-command principle; however, it is necessary to enjoy the benefits of a matrix organization. In short, the hoped-for benefit of a matrix structure is a combination of the task focus of the projectized organizational structure with the technical capability of the functional structure.

ADVANTAGES Matrix organizations have many advantages, which is why an increasing number of companies are using some variation of them today. One advantage is that because both project and functional managers are involved, there is good visibility into who is working where, and resources can be shared between departments and projects. This reduces possible duplication—a major advantage in this age of lean thinking in business. Since both types of managers are involved, cooperation between departments can be quite good. There is more input, so decisions tend to be high quality and are better accepted. This is a major issue since enthusiastic support for controversial decisions often helps a project team work through challenges. Since people still report to their functional manager, they are able to develop and retain discipline-specific knowledge. Since the various disciplines report to the same project manager, effective integration is still possible. Because people report to both the project manager, who is responsible for capturing lessons learned, and to the functional manager, who is responsible for how the work in a function is performed, lessons learned can be shared effectively between projects. Furthermore, policies and procedures for each project can be set separately. The project manager can commit resources and respond to changes, conflicts, and project needs quickly.

Yet another advantage of the matrix form is its flexibility. The amount of decision-making authority can be shared in whatever manner is desired. When the functional managers have relatively more power, it is almost like a functional organization. This is the way many organizations start evolving—by giving project managers a bit more decision-making authority. This is called a weak matrix since the project managers have less authority than the functional managers. The next step in the progression is a balanced matrix in which project managers and functional managers have about equal

EXHIBIT 4.5

PROGRESSION OF ORGANIZATIONAL FORMS					
ORGANIZATIONAL FORM	FUNCTIONAL	WEAK MATRIX	BALANCED MATRIX	STRONG MATRIX	PROJECTIZED
Who has power?	FM almost all	FM more	Equally shared	PM more	PM almost all

power. Finally, a strong matrix is one where the project managers have more power than functional managers. This is more similar to a projectized organizational form. The progression of forms is shown in Exhibit 4.5.

DISADVANTAGES The matrix organizational form has drawbacks as well. Some people claim that having two bosses (both a functional manager and a project manager) is a disadvantage. This problem certainly needs to be managed because the two managers may each try to do what they think is best for their project or department and may give conflicting advice. Dual responsibility and accountability can be demotivating for some people. However, this is common territory for most people. Most students take multiple classes per term. Most companies have multiple customers. Having to balance competing demands can be difficult, but it is often the norm. Since more people are providing the necessary input, there are more sources of conflict, more meetings, and more challenges to control. Decisions may not get made as fast. Also, priorities are likely to change routinely.

Firms need to consider which organizational structure is best for them so they can capitalize on its advantages and mitigate its disadvantages. These decisions can change over time. Exhibit 4.6 summarizes a comparison of organizational structures.

Note that in a matrix organization, a new role is inserted in the organizational chart—that of manager of project managers. Sometimes this person leads an office called the project management office (PMO). This does not mean that other organizations cannot have a PMO. In some organizations, an additional manager will be in the reporting chain between the project managers and the person in charge (shown as the president). In other matrix organizations, the project managers report directly to the person in charge. For simplicity, this chart shows each function with four workers and each project with four team members. In reality, some functions may have more workers than others, and some projects may have more team members than others. In fact, some people may only report to a functional manager since they are not currently assigned to a project, and others may report to more than one project manager since they are assigned on a part-time basis to multiple projects. Those people will have more than two supervisors.

While both project managers and functional managers have certain authority in any matrix organization, the extent of this authority can vary substantially. Often, the project manager has authority to determine what work needs to be accomplished and by when. The functional manager often retains authority to determine how the work is accomplished. Sometimes, the two managers will negotiate to determine which workers will be assigned to the project. While both hopefully want the best for the overall organization, each has specific responsibilities. For example, the functional manager with several workers reporting to her wants each employee to have enough work but not be overloaded. She also wants all workers to grow in expertise. The project manager, on the other hand, wants the best workers for the project so she can be more assured of delivering good results. In a case like this, when they negotiate, the project manager may want the best resource (who is already busy), but the functional manager may offer the least experienced resource (who is available).

EXHIBIT 4.6

ORGANIZATIONAL STRUCTURE COMPARISON			
	FUNCTIONAL	MATRIX	PROJECTIZED
Who makes most project decisions?	Functional manager	Shared	Project manager
Advantages	<ul style="list-style-type: none"> • Good discipline-specific knowledge • Easy for central control • Effective for shared resources • One “boss” • Clear career path for professionals 	<ul style="list-style-type: none"> • Flexible • Easy to share resources • Good cooperation between departments • More input for decisions • Wide acceptance of decisions • Good discipline-specific knowledge • Effective integration on project • Increased knowledge transfer between projects 	<ul style="list-style-type: none"> • Break down department barriers • Shorter response time • Quicker decisions • One “boss” • Enhanced project team identity • Customer focus • Effective integration on project
Disadvantages	<ul style="list-style-type: none"> • Slow communication between departments • Slow response to change • Slow decision making 	<ul style="list-style-type: none"> • Two “bosses” • Many sources of conflict • More meetings • Slow reaction time • Hard to monitor and control 	<ul style="list-style-type: none"> • Duplication of resources • Rules not always respected • Potential lessons learned can be lost • Discipline-specific knowledge can slip • Less career continuity for project team members

Source: Adapted from Richard L. Daft, *Management*, 9th ed. (Mason, OH: South-Western Cengage Learning, 2010): 250–255; and PMBOK® *Guide*, 21–26.

One other source of potential conflict between the project and functional managers deals with performance reviews. Often, the functional manager is tasked with writing performance reviews, yet some workers may spend a great deal of their time on projects. If the project managers are not allowed to provide input into the performance reviews, some project team members will work harder to please their functional managers and the projects can suffer. One project manager offers ideas regarding performance reviews in Exhibit 4.7.

Closely related to the organizational structure is another organizational decision that needs to be made—that of organizational culture. Project managers are not often part of the executive group that decides on organizational structure or organizational culture,

EXHIBIT 4.7

360-DEGREE PERFORMANCE REVIEWS

In some organizations, the functional manager performs a 360-degree evaluation. This appraisal style requires that the functional manager seek feedback from a representative sample of the staff who have worked with that project team member to provide feedback on a 360-degree form. Being appraised by your peers or team members on a given project is considered best practice because they’ve observed the individual in action “in the trenches.” Many large organizations use this appraisal technique, since in large and/or complex organizations some staff rarely see their direct supervisor or manager, depending upon their function in that organization.

Source: Naomi J. Kinney, CPLP, principle consultant, Multilingual Learning Services.



Glynnis Jones/Shutterstock.com

but they certainly need to understand how these decisions impact reporting relationships, decision-making methods, and commitment for their projects.

4-2 Organizational Culture and Its Impact on Projects

Just as project managers need to understand the structure of the parent organization, they also need to understand the culture of the parent organization if they are to communicate effectively. Organizational culture consists of values, social rituals, symbols, work ethics, organizational behavior, beliefs, and practices that are shared among members of the organization and are taught to new members. “Values serve as a moral compass to guide us and provide a frame of reference to set priorities and determine right or wrong.”⁶ Values are implemented through social rituals such as meetings, training, and ceremonies, along with symbols such as work layout and dress code.⁷ Collectively, these can informally:

- Motivate the ethical actions and communications of managers and subordinates;
- Determine how people are treated, controlled, and rewarded;
- Establish how cooperation, coordination, collaboration, competition, conflict, and decision making are handled; and
- Encourage personal commitment to the organization and justification for its behavior.⁸

Once a project manager understands the culture of the parent organization, he can determine how to best foster the culture within his project. Many projects are completed cooperatively between two or more parent organizations, or one organization (a contractor) will perform the project for the other organization (a client). Whenever more than one parent organization is involved, the project manager needs to understand the culture of each well enough to facilitate effective project communications and decision making.

4-2a Culture of the Parent Organization

When a project manager studies the culture of the parent organization, she needs to ask the following questions:

- What is the corporate culture in general?
- What are the ascribed values?
- Are there standard project management practices and policies?
- How is the organization viewed by others in terms of being true to its values?
- How does the organization like to communicate internally and externally?
- How well does the organization support project management specifically?

TYPES OF POWER One framework that is helpful in understanding a corporate culture distinguishes the following four types of culture according to what is the most powerful motivator:

1. Power culture
2. Role culture
3. Task culture
4. Personal culture

Power cultures exist when the supervisor exerts a great deal of economic and political power and everyone tries to please the boss. Those in formal authority control competition, conflict resolution, and communication.

Role cultures motivate everyone to understand and closely follow their appointed roles. Reliable workers follow formal designations of responsibility with utmost respect for regulations and laws.

In task cultures, it is more important to get the job done than to worry about who does the work or who gets credit. Hallmarks of task cultures are skill-based assignments, self-motivated workers, and more deference paid to knowledge than to formal authority.

In personal cultures, people show genuine interest in the needs of workers, consider worker development as critical to the organization's success, and display an attitude that collaboration is satisfying and stimulating.⁹

Many organizations will have one dominant culture modified by at least one of the other types. An astute person will look not only for what people say when trying to understand the culture but also will look for actions, decisions, symbols, and stories that guide behavior.

A variety of organizational culture characteristics make project success more likely. These characteristics include appreciation for project management; formal recognition for project management; collaboration to meet organizational goals; engagement of stakeholders; desire to provide value to customers; teamwork across cultures; integrity; trust; transparency; insistence on continual learning; knowledge management practices that are tied to individual and organization learning; and provision of appropriate rewards and recognition. Recent research has added the following organizational culture themes as helpful in achieving project success: vision-led, egalitarian, goal-oriented, timely and effective communication, and flexible leadership with rapid decision making.¹⁰

MIDLAND INSURANCE COMPANY Midland Insurance Company espouses its values by giving every employee the “One Pager” that lists the organization's mission, strategic imperatives, and core values. The CEO will often pull his “One Pager” out at meetings and expects everyone else to do likewise. In talk and in action, Midland tries to live out the core values that comprise its organizational culture. Exhibit 4.8 shows Midland's culture.

EXHIBIT 4.8

MIDLAND INSURANCE COMPANY VALUES	
<ul style="list-style-type: none"> • Integrity Win/Win • Team • Humility • Strong Work Ethic 	<ul style="list-style-type: none"> • Creativity • Propriety • Sharing/Caring • Personal Growth
Source: Martin J. Novakov, American Modern Insurance Group.	

4-2b Project Cultural Norms

While some of the project team's culture is dictated by that of the parent organization, effective sponsors and project managers can do many things to promote good working cultural norms within the project. Many times, participants on a project might not have worked together previously and may even come from parts of the organization (or outside organizations) that have historically been rivals. The sponsor and project manager need to understand organizational politics and work to develop cooperation both within the core project team and among the various groups of project stakeholders. A project team charter helps to formalize this process and set expectations specifically for existing team members and inducting new team members.

When the project sponsor and manager are determining how to create the project culture, ethics should be an important consideration. One aspect of an ethical project culture is to determine how people should act. Project sponsors and managers learn that they need to act in the best interests of three constituencies: (1) the project itself—attempting to deliver what is promised, (2) the project team—encouraging and developing all team members, and (3) the other project stakeholders—satisfying their needs and wants. Ethical project managers make decisions so that one of the three constituencies does not suffer unfairly when satisfying the other two. One list of behaviors adapted from the *PMI Code of Ethics and Professional Conduct* tells project managers to exhibit the following:

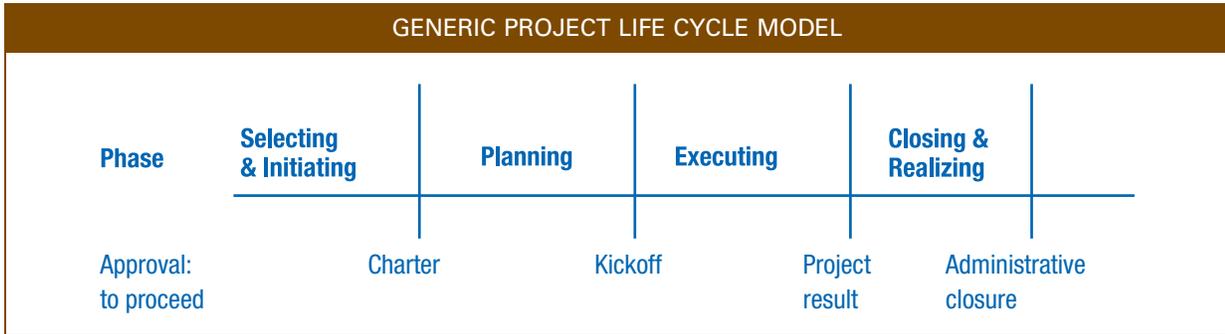
- Responsibility—take ownership for decisions.
- Respect—show high regard for ourselves, others, and resources.
- Fairness—make decisions and act impartially.
- Honesty—understand the truth and act in a truthful manner.¹¹

The other aspect of an ethical culture is how people actually act. Every project has difficult periods, and the measure of project ethics is how people act at those times. The project manager needs to show courage both in personally making the right decisions and in creating an atmosphere in which others are encouraged to make the right decisions. An ethical project culture in which people know how to act and have the courage to do so yields better ideas; when a spirit of mutual trust prevails, everyone participates with their ideas and effective partnering relationships within and beyond the project team.

4-3 Project Life Cycles

All projects go through a predictable pattern of activity, or project management life cycle, which we refer to as project life cycle. Project planning teams use project life cycle models because various types of projects have differing demands. A research and development (R&D) project may require a certain test to be performed before management approves the expenditure of large amounts of cash, while the manager of a quality improvement project may need to document how the work is currently performed before

EXHIBIT 4.9



it makes sense to experiment with a new method. The major types of project life cycle models, while differing in details, have some things in common:

- They all have definite starting and ending points.
- They involve a series of phases that need to be completed and approved before proceeding to the next phase.
- The phases generally include at least one initiating, one planning, one closing, and one or more executing phases.
- The various life cycle models are all frequently adapted based on how they align with the organizational culture and language.

We will now look at several models that represent those used in improvement, research, construction, and Agile projects. We introduce the Agile approach to project management immediately after its life cycle model. In the remainder of the book, we will deal with the generic, plan-driven model that includes selecting and initiating, planning, executing, and closing and realizing benefits, as shown in Exhibit 4.9. We will post an Agile icon in the margin wherever we highlight how the Agile or adaptive approach is different.

4-3a Define-Measure-Analyze-Improve-Control (DMAIC) Model

Many firms use projects to plan and manage quality and productivity improvement efforts. Various models are used for these improvement efforts. While these models appear to be somewhat different, they all strive to use facts to make logical decisions and to ensure that the results are as desired. The Six Sigma approach to quality improvement (a popular current approach explained in Chapter 11) uses the DMAIC model. A simple version of this model is shown in Exhibit 4.10.

EXHIBIT 4.10

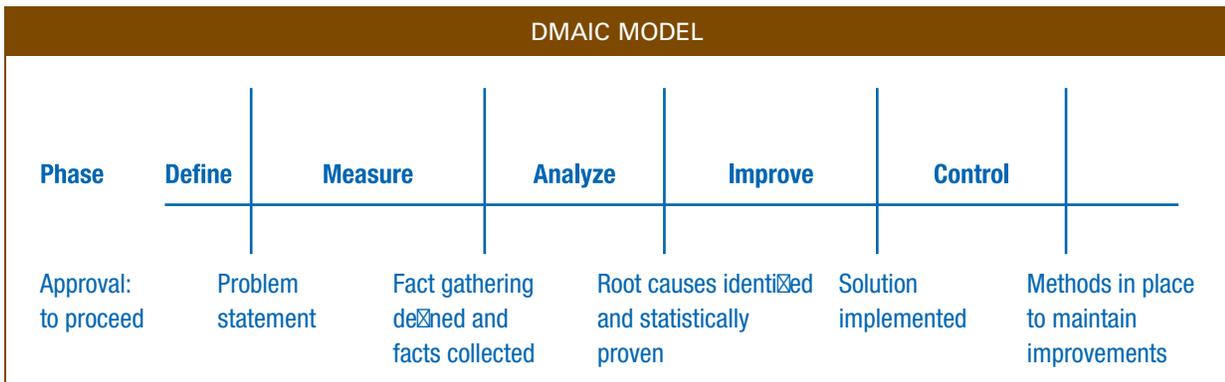
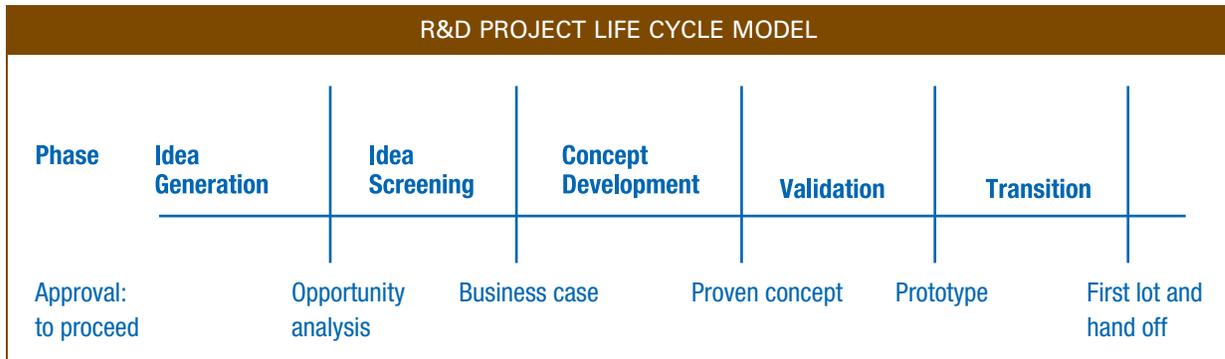


EXHIBIT 4.11

4-3b Research and Development (R&D) Project Life Cycle Model

Many organizations use project management techniques to organize, plan, and manage research and development efforts. These can vary in length from as much as a decade for taking a new pharmaceutical product from idea to successful market introduction to as little as a few weeks to reformat an existing food product and deliver it to a client. Some R&D project models are complex and have many phases because of huge risks and demanding oversight; yet some are much simpler. One simple R&D model adapted from defense development projects is shown in Exhibit 4.11.

4-3c Construction Project Life Cycle Model

Just as in other project applications, since construction projects differ greatly in size and complexity, a variety of project life cycle models are in use. A generic construction project life cycle model used for design build projects is shown in Exhibit 4.12.

4-3d Agile Project Life Cycle Model



One type of model increasingly used in information systems and some other projects allows for incremental plans and benefits. These approaches have been variously called iterative, incremental, adaptive, or change driven. While *Agile* is the umbrella name, some of the specific approaches are called *SCRUM*, *XP*, *Crystal*, *EVO*, *phased delivery*, *rapid prototyping*, and *evolutionary*. While these models may start like other project life cycle models, they provide short bursts of planning and delivery of benefits in multiple increments during project execution. A generic Agile project life cycle model is shown in Exhibit 4.13.

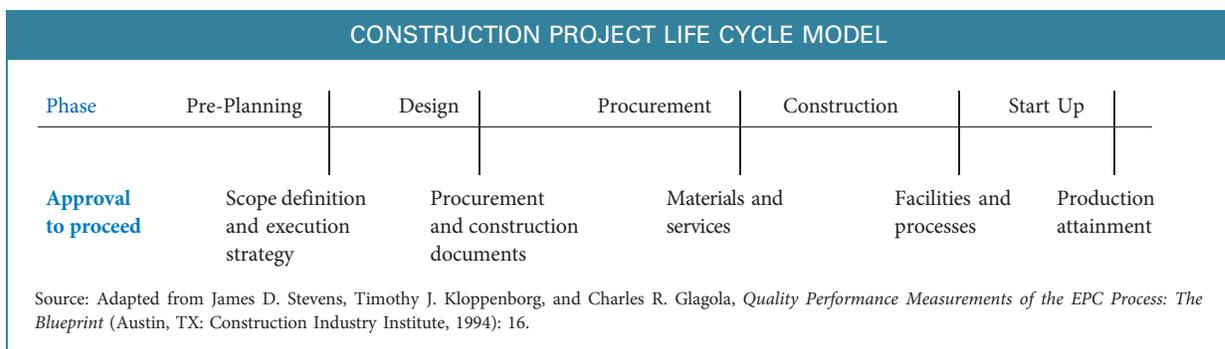
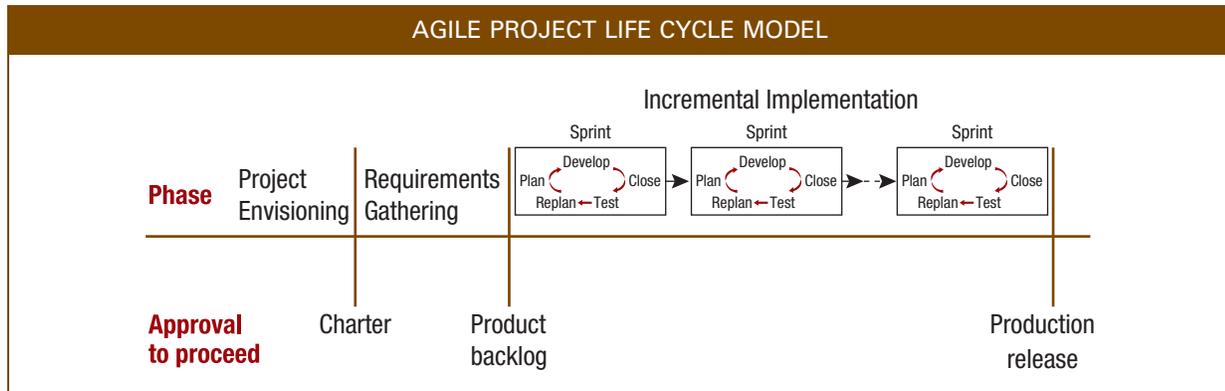
EXHIBIT 4.12

EXHIBIT 4.13



4-4 Agile Project Management

In this section, we introduce several basic ideas from Agile. In subsequent chapters, we will explain some of them in more detail. In many situations, project managers find the most useful method takes good practices from both plan-driven and change-driven approaches, just as the matrix form of organizing takes good ideas from both functional and projectized organizations.

4-4a What Is Agile?

Agile is a form of adaptive or change-driven project management largely reacting to what has happened in the early stages of a project rather than planning everything in detail from the start. Documentation is minimal early in the project but becomes progressively more complete. To understand Agile, one needs to know both the methods and the mindset of Agile practice. For the methods, a project vision is developed and shared early—often as part of a charter. Project teams plan in short bursts (generally of one to four weeks), often called sprints or iterations. The details are planned for the upcoming iteration and very little change is allowed during it. Products are defined and delivered one iteration at a time with an output that has business value successfully delivered at the end of each iteration. Then the next iteration is planned. The mindset is empowering, engaging, and openly communicating as detailed as follows.

4-4b Why Use Agile?

Traditional plan-driven project management works well in many situations, but if the scope is hard to define early in the project and/or when much change is expected, an Agile approach often works better. For these ill-defined and rapidly changing projects, Agile proponents claim to decrease time, cost, and risk while increasing visibility and innovation.

4-4c What Is an Agile Mindset?

While much has been written about Agile, starting with the Agile Manifesto, a simplified version of the mindset needed to successfully plan and manage Agile projects boils down to four key ideas:

1. Satisfy the customer by placing emphasis on outputs that fulfill their needs.
2. Engage all participants through empowerment, cooperation, and knowledge sharing.

3. Facilitate that engagement through servant leadership and visible and continual communication.
4. Keep things simple with a sustainable pace or cadence and emphasis on process improvement.

4-4d What Are the Key Roles in Agile Projects?

All Agile roles are more collaborative than confrontational. Arguably the most essential role is the customer representative—sometimes called the product owner. This person ensures that the needs and wants of the various constituents in the customer’s organization are identified and prioritized and that project progress and decisions continually support the customer’s desires. The customer representative does much of what a sponsor might in traditional projects and also works with the team on a continuous basis, often performing some of the work a project manager might on a traditional project.

The scrum master serves and leads in a facilitating and collaborative manner, emphasizing the need to facilitate and remove obstacles. The scrum master is a more limited, yet more empowering role than that of a traditional project manager. The team members in Agile projects are assigned full time and co-located as much as possible. The teams are self-governing, so the team now accomplishes many of the planning and coordinating activities a project manager would typically perform.

4-4e How Do You Start an Agile Project?

An Agile project should start with a charter, as any other project should. This high-level agreement between the product owner, scrum master, and empowered team will help share the compelling project vision, create commitment, uncover risks, identify stakeholders, ensure common understanding of success criteria, and establish working agreements and ground rules as needed. Often, the first iteration is used to determine the product to be built and prioritize the most valuable work for the next iteration.

4-4f How Do You Continue an Agile Project?

Perhaps the easiest way to understand the process of running an Agile project is to visualize the four types of meetings (often called ceremonies) used:

1. **Iteration planning meetings** have the product owner share the highest value-added output he or she would like the team to work on next, along with a definition of what “done” or quality completion is. The project team then commits to how much output it can deliver in the iteration. This meeting may include backlog grooming, which is reprioritizing the work, or backlog grooming may be conducted in a separate meeting.
2. **Daily stand-up meetings** are often held for 15 minutes early in the morning and each team member shares the previous day’s accomplishments, the plans for the current day, and any issues. Problem solving is not done in these team meetings, but if one teammate can help another, the two talk off-line afterward.
3. **Demonstration meetings** are held at least once per iteration where the team demonstrates usable product. Only a completed, usable product is shown.
4. **Retrospective meetings** are held at the end of each iteration where the project team, scrum master, product owner, and possibly other key stakeholders openly share what worked well and what could work better by making a change of some sort. The goal is to improve the work processes.

4-4g What Is Needed for Agile to Be Successful?

Experienced and motivated team members are needed because one hallmark of Agile is self-managed teams. Without experience and willingness to be a cross-functional team member, the teams would likely flounder. A key stakeholder, often called the **product owner or customer**, needs to commit to frequent and detailed meetings, as described above, with the development team both for initial chartering and requirements gathering, but also for ongoing prioritization and evaluation. **Trust** between the client and contractor (or user and developer) is needed because the details of the requirements and scope are initially unknown. Trust is also needed as the client needs to prioritize to get maximum value, given time and resource constraints, and the project team needs to commit to creating certain working output during each iteration.

4-5 Traditional Project Executive Roles

Projects do not exist in a vacuum. They exist in organizations where they require resources and executive attention. Projects are the primary method that organizations use to reach their strategic goals. As such, a variety of players need to be involved at the executive, managerial, and associate levels, as shown in Exhibit 4.14. Especially in small organizations, one person may perform more than one role. For example, a sponsor may perform some or all of the activities normally expected from the customer. The four project executive roles are the steering team (ST), the sponsor, the customer, and the chief projects officer (CPO), often known as the project management office (PMO).

4-5a Steering Team

In small to medium-sized organizations, the steering team (sometimes known as the executive team, management team, leadership team, operating team, or other titles) often consists of the top person in the organization and his or her direct reports. They should collectively represent all of the major functions of the organization. In larger organizations, there may be steering teams at more than one level. When that occurs, the steering teams at lower levels are directed and constrained by decisions the top-level steering team makes. Some organizations divide the duties of the steering team by creating project review committees and delegating tasks to them. In any event, the duties of the steering team revolve around the following five activities:

1. Overall priority setting
2. Project selection and prioritization
3. Sponsor selection
4. General guidance
5. Encouragement

EXHIBIT 4.14

TRADITIONAL PROJECT EXECUTIVE, MANAGERIAL, AND ASSOCIATE ROLES		
EXECUTIVE LEVEL	MANAGERIAL LEVEL	ASSOCIATE LEVEL
Steering Team (ST)	Functional Manager (FM)	Core Team Member
Sponsor	Project Manager (PM)	Subject Matter Expert (SME)
Customer	Scrum master	
Chief Projects Officer (CPO)	Facilitator	

The steering team generally sets overall organizational priorities with the CEO. This is a normal part of strategic planning, as described in Chapter 2. Once the overall organizational goals have been set, the steering team agrees on the criteria for selecting projects and then selects the projects the organization plans to execute during the year. Once the overall project list is complete, they determine the relative priorities of the projects to determine which will start first.

Simultaneously, the steering team often helps the CEO decide who will sponsor potential upcoming projects. In turn, the steering team often helps the sponsor select the project manager. In some cases, the steering team even gets involved in deciding which critical team members will be on the project. This is especially true if very few people in the organization have highly demanded skills. The steering team can decide which project these people will work on as part of the prioritizing effort.

Guidance from the steering team includes feedback during formal reviews as well as informal suggestions at other times. Since steering teams understand how important project success is in achieving organizational objectives, they normally demand to have formal project reviews. These can occur either at set calendar times or at a project **milestone**, which is “a significant point or event in the project.”¹² At these formal reviews, the steering team can tell the project team to continue as is, to redirect their efforts in a specific manner, or to stop the project altogether.

In terms of informal suggestions, it is very empowering to project participants if the steering team members ask how the project is going and offer encouragement when they run into each other in the normal course of work. It shows project participants that their work is important and has high visibility in the organization.

4-5b Sponsor

We defined a sponsor in Chapter 1 as “a senior manager serving in a formal role given authority and responsibility for successful completion of a project deemed strategic to an organization’s success.”¹³ In this sense, the sponsor is normally an individual who has a major stake in the project outcome. Sponsors often perform a variety of different tasks that help a project, both in public and behind the scenes. Major sponsor responsibilities are shown by project stage in Exhibit 4.15. The sponsor for major projects is often a member of the steering team. On smaller projects, the sponsor may hold a lower position in the organization. The interaction—indeed, the partnership—of the sponsor and project manager is critical to project success.

As a member of the steering team, the sponsor should understand the corporate strategy and be prepared to help with project selection and prioritization to link each project explicitly with organizational strategy.¹⁴ Sponsors should pick the project manager and core team (sometimes with help from the project manager and/or others). Sponsors should mentor the project manager to ensure that person understands his role and has the skills, information, and desire to successfully manage the project.

In the previous chapter, we discussed chartering. Sponsors ideally take an active role in chartering the project by creating a first draft of the business case and scope overview statements for the project. If a sponsor does not take time for this, the project manager needs to ask questions to elicit this business case and scope overview information. Then the sponsor should insist that a milestone schedule, preliminary budget, risk identification, assessment criteria, communication plan, and lessons learned be developed by the project manager and team. In this way, the sponsor sets performance goals and establishes priorities.¹⁵ The sponsor then either personally approves the charter or takes the charter to the steering team for approval.

As the project progresses, the sponsor helps behind the scenes by obtaining resources, removing roadblocks, making high-level decisions, and interfacing between the project core team and the executive team. Sponsors often share their vision for the project with

EXHIBIT 4.15

SPONSOR RESPONSIBILITIES BY STAGE	
STAGE	SPONSOR RESPONSIBILITIES
Overarching	Provide resources, manage stakeholder relationships, deliver results
Selecting	Identify, select, prioritize projects
Initiating	Select and mentor project manager, charter project
Planning	Meet key stakeholders, ensure planning
Executing	Nurture key stakeholders, ensure communications, ensure quality
Closing	Ensure stakeholder satisfaction, closure, and knowledge management
Realizing	Ensure benefits are achieved and capability is increased

Source: Adapted from Timothy J. Kloppenborg and Laurend J. Laning, *Strategic Leadership of Portfolio and Project Management* (Business Expert Press, New York 2012): 47; Timothy J. Kloppenborg, Debbie Tesch, and Chris Manolis, "Project Success and Executive Sponsor Behaviors: Empirical Life Cycle Stage Investigations," *Project Management Journal* (February/March, 2014): 15–17; and Timothy J. Kloppenborg and Debbie Tesch, "How Effective Sponsors Influence Project Success," *MIT Sloan Management Review* (Spring 2015): 28–30.

various stakeholders. When providing staff, sponsors ensure they are adequate in number and skill. This may include training. It may also include negotiating for staff. Sponsors often let their project managers arrange this training and negotiate for resources. However, the sponsor needs to make sure that both are satisfactorily completed.

Once again, sponsors with experienced project managers may merely need to ensure their project managers have the means in place to monitor and control their projects. Large projects with many stakeholders often have formal kickoff meetings. The sponsor's presence demonstrates corporate commitment. Sponsors represent the customer to the project team. The sponsor must ensure that several important customer-related tasks are performed as follows:

- All customers (stakeholders) have been identified.
- Their desires have been uncovered and prioritized.
- The project delivers what the customers need.
- The customers accept the project deliverables.

Again, the project manager should do much of this, but the sponsor is also responsible for its completion. While sponsors represent their projects, they also represent the larger organization. As such, they often should be one of the first persons to determine the need to stop a project that is no longer needed or is not performing adequately. Finally, after the project results have been used for a period of time, the sponsor should make sure the expected results have been achieved.

So, who makes a great sponsor? In addition to having a major stake in the project outcome and fulfilling the responsibilities described above, the following general behaviors and temperaments are desirable:

- Excellent communication and listening skills
- Ability to handle ambiguity
- Ability to self-manage
- Approachability
- Collaborative attitude
- Responsiveness¹⁶



4-5c Customer

While the specific demands of the customer role are spelled out here, understand that some or all of this role may be carried out by the sponsor—particularly for projects internal to a company. When a busy customer buys something, it may be tempting to just place an order and have it delivered. That process is fine for an off-the-shelf item or for a transactional service. However, when it is a one-of-a-kind project, hands-off ordering does not work. The question then becomes: What does a customer need to do to ensure the desired results? Exhibit 4.16 shows a list of seven tasks a customer can do before and during a project to enhance the probability of success. The customer performs three of these tasks independently and the other four jointly with the project manager. The three customer-only project tasks are prioritizing the project need, carefully selecting a good contractor, and killing the project if necessary. The four joint tasks are writing and signing the project charter, developing clear and detailed requirements, setting up and using project control systems, and conducting a great project kickoff meeting.

INDEPENDENT TASKS The first requirement is to prioritize each project. The knowledge that one particular project is the highest priority for a company should be

EXHIBIT 4.16

CUSTOMER TASKS ON PROJECTS	
INDEPENDENT TASKS	JOINT TASKS WITH PROJECT MANAGER
<ol style="list-style-type: none"> 1. Prioritize project 2. Select good contractor 3. Kill project if needed 	<ol style="list-style-type: none"> 1. Write and sign charter 2. Develop clear requirements 3. Use control system 4. Conduct kickoff meeting

communicated, and that project should be tackled by the “A team.” A related prioritization question is: Do we need this project so badly right now that we are willing to start it even without the skilled personnel, resources, or technology on hand that would improve the probability of successful completion? If so, ensure this particular project gets top billing. If not, consider delaying it. A third prioritizing decision that needs to be made repeatedly is what project requirements must be satisfied first so the project team is working on what matters most to the customer.

The second customer task is to carefully select a competent and honest contractor to perform the project. All of the important joint tasks are much easier with the right contractor, the probability of success goes up, and everyone’s stress level goes down.

The third customer task is to determine whether to pull the plug on a troubled project. This could happen right at the start if the project appears to be impractical. It could happen during detailed planning when the requirements, schedule, budget, risks, or other aspects indicate trouble. More often, it occurs during project execution when the project progress does not live up to the plan. A customer needs to decide when to stop throwing good money after bad.

JOINT TASKS WITH PROJECT MANAGER The first joint task for customers and project managers is to create and ratify the project charter. The charter is a broad agreement concerning the project goals, rationale, risks, timeline, budget, approach, and roles—even though all of the details have yet to be determined. The charter should help to identify projects that appear risky or otherwise impractical from the outset. These projects should either be scrapped, or a different approach should be used. If the project looks promising, both the contractor and the customer normally sign the charter and feel morally bound to its spirit.

Once the charter is signed, the contractor and customer need to develop detailed requirements. Some of the challenges many customer companies face are differing project expectations among the members of the organization. Somehow, the conflicting desires of multiple people in the customer’s organization must be combined into one set of requirements that will be provided to the people who will perform the project work. Senior customer representatives and project managers frequently work together to determine the requirements.

The customer and the contractor often collaborate on the setup and use of several project control systems. One of these is a communications plan (which is explained in Chapter 6). Since the customer is often the recipient of communications, he needs to tell the contractor what he needs to know, when he needs to know it, and what format will be most convenient. This should include regular progress reports. Second is a change control system (explained in Chapter 7). Most projects will have multiple changes. A method must be created to approve potential changes, document their impact, and ensure that they are carried out as agreed. Third is a risk management system (explained in Chapter 11). Customers should work with developers to brainstorm possible risks, consider how likely each risk is to occur, measure a risk’s impact should it happen, and develop contingency plans. The customer needs to ensure that effective communications, change management, and risk management systems are used.

Customers must help plan and participate in a project kickoff meeting. This meeting should be widely attended, give everyone involved in the project a chance to ask questions, and be used to build excitement for the project.

Customers get what they pay for on projects, but only when actively involved in key activities. Customers have the sole responsibility of prioritizing their own needs, selecting a contractor to perform their project, and terminating a project that is not working. Customers and contractors share the responsibility for crafting and agreeing to a project charter, articulating requirements, developing and using project control systems, and conducting an informative and energetic project kickoff.

4-5d Chief Projects Officer/Project Management Office

Organizations need to have one person who “owns” their project management system and is responsible for all the people who work on projects. While different companies use different titles for this position (such as project director or manager of project managers), we will use the title chief projects officer (CPO). Just as companies’ size and complexity vary greatly, so does the role of CPO. Large companies frequently have a project management office (PMO). The PMO performs the CPO role. At small companies, the CPO role may be performed informally by the CEO, who also juggles many other time demands. Companies in the medium-size range may find it useful to appoint an executive who already has other responsibilities as the CPO. Ensuring projects are planned and managed well is so central to the success of most companies that a highly capable individual is normally assigned this responsibility.

To be effective, the CPO must consider organizational enablers for project success: these include standardized supporting processes such as approvals and appointments; standardized execution guidance such as performance assessment criteria and templates; well-defined responsibility systems such as sponsor and project team roles; and a mature organizational structure that fosters cooperation and joint problem solving.¹⁷

So, what are the responsibilities of the chief projects officer? They include ensuring that the company’s steering team:

- Identifies potential projects during strategic planning
- Selects a manageable set of projects to be implemented
- Prioritizes effectively within that set
- Ensures enough resources (people, money, and other resources) are available to perform the projects
- Selects appropriate project sponsors and teams
- Charters the project teams
- Monitors and controls the implementation of the projects
- Rewards the participants
- Celebrates the results of successful projects!

If that is not enough, the CPO also ensures that each individual serving on a project:

- Receives the training he or she needs
- Captures lessons learned from completed projects
- Uses lessons learned from previous projects on new projects
- Uses templates and standards when appropriate

4-6 Traditional Project Management Roles

The manager-level roles in traditional projects include the functional manager, project manager, and facilitator.

4-6a Functional Manager

Functional managers are often department heads. Projects come and go, but departments generally remain. Functional managers have a large role in deciding how the project work in their functional area is done. Functional managers and project managers may negotiate who will be assigned to work on the project.

Generally, top management in an organization needs to decide how the relative decision-making power in the organization is divided between project managers and functional managers. Organizations that are new to formalized project management often start with functional managers having more power. Often, this changes over time until project managers for big projects have relatively more power.

4-6b Project Manager

The project manager is the focal point of the project. He or she spends a large amount of time communicating with everyone who is interested in the project. The project manager leads the planning, execution, and closing of the project. This person ideally should be a flexible, facilitating leader. Since project managers are responsible for the project schedule, they have a large role in deciding when project activities need to be accomplished. Project managers are trusted with delivering project results needed by their parent organizations. As such, project managers need to be worthy of that trust by possessing both integrity and necessary skills.

DESIRED BEHAVIORS Exhibit 4.17 shows a few of the behaviors project managers can develop first in regard to integrity and then in regard to each of the 10 project management knowledge areas needed to successfully plan and manage projects. This book describes some of the factual knowledge project managers need to acquire to become proficient. Project managers also need to acquire experiential knowledge by practicing

EXHIBIT 4.17

DESIRED PROJECT MANAGER BEHAVIORS

INTEGRITY: A PM demonstrates integrity by making honest decisions, protecting people, defending core values, leading major change, honoring trust, showing respect, establishing a culture of honesty, and displaying total commitment to project and people.

INTEGRATION: A PM is an effective integrator by leading the chartering process, coordinating assembly of a detailed and unified project plan, balancing the needs of all stakeholders, making logical trade-off decisions, and keeping focus on primary objectives.

SCOPE: A PM deftly handles project scope by obtaining a deep understanding of stakeholder wants and needs, determining true requirements, learning if proposed changes are essential, stopping unnecessary scope creep, and demonstrating needed flexibility.

TIME: A PM is an effective scheduler by leading schedule development, understanding resource and logic limitations, understanding the project life cycle, focusing on key milestones, and making schedule decisions while being aware of cost and scope issues.

COST: A PM maintains cost control by developing an accurate understanding of project scope, determining reliable cost estimates, controlling all project costs, and calculating and honestly reporting all variances in a timely and transparent manner.

QUALITY: A PM achieves project quality by learning customer expectations and how they relate to organizational objectives, insisting project decisions are based upon facts, utilizing lessons learned, ensuring effective work processes are used, and leading testing.

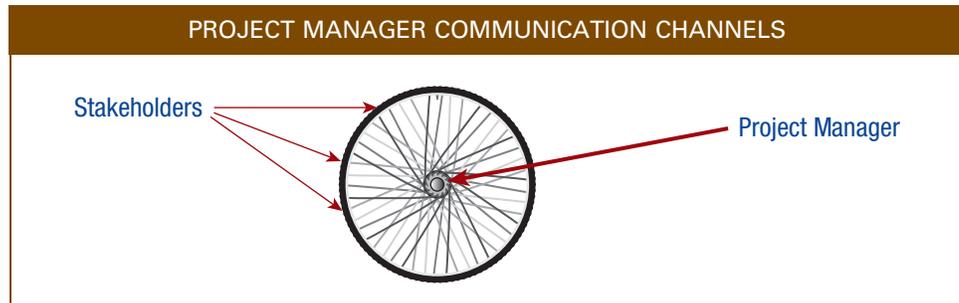
HUMAN RESOURCES: A PM effectively handles human resource issues by leading in a facilitating manner when possible and forcefully when needed, attracting and retaining good workers, developing a self-directed project team, and creating a sense of urgency.

COMMUNICATIONS: A PM displays good communications by listening and speaking well, advocating the project vision, maintaining enthusiasm, focusing attention on key issues, establishing order, working through conflict, seeking support, and openly sharing.

RISK: A PM effectively deals with project risk by openly identifying risks and opportunities, honestly evaluating each, developing avoidance strategies when practical and mitigation strategies when needed, and courageously recommending needed actions.

PROCUREMENT: A PM effectively procures needed goods and services by accurately documenting all requirements, identifying and fairly considering all potential sellers, proactively managing contracts and relationships, and ensuring all deliveries.

STAKEHOLDER: A PM deals effectively with stakeholders by robustly identifying all who are interested in the project, asking probing questions to understand their desires, and ensuring someone on the project team maintains effective relationships with each.

EXHIBIT 4.18

these behaviors on projects. Not all project managers will become equally adept at each behavior, but an understanding of the behaviors exhibited by excellent project managers is a great way to start. Remaining chapters in this book elaborate on these behaviors. Collectively, all of these skills make for a great, well-rounded project manager.

COMMUNICATION CHANNELS Envision a bicycle wheel, as shown in Exhibit 4.18. The project manager is like the hub, and the spokes are like the many communication channels the project manager needs to establish and use with project stakeholders. While there are many project manager requirements, some of the technical needs can probably be delegated, but every project manager needs integrity, leadership, and communications skills.

CHALLENGES Project managers deal with several challenges. One is that they often have more responsibility than authority. This means they need to persuade people to accomplish some tasks rather than order them to do so. Project managers can create interesting and challenging work assignments for their team members. Many people find this stimulating. Project managers can more effectively attract followers when they display high integrity and the ability to get the job done. This includes both technical ability and communications ability. Project managers primarily deal with networks of people both within and outside their parent company. An effective project manager knows how to get to the source of the networks. A challenge for project managers is determining how networks function within certain organizational cultures. This is why organizational culture is so important. What are the networks within the organization? How do people work, communicate, and problem solve beneath the function of their job titles?

A rookie project sponsor and rookie project manager should not be assigned to the same project. While the sponsor normally mentors the project manager, when a sponsor is new, some of the mentoring may go the other way—just as a master sergeant may help a new lieutenant learn about leading troops.

JUDGMENT CALLS Due to the very nature of projects—each one having a unique set of stakeholders, output, and project team—project managers cannot always follow a cookbook approach in how they manage. They must develop judgment. Exhibit 4.19 lists some judgment calls that project managers need to be prepared to make on a frequent basis.

COMPETENCIES BY PROJECT STAGE Just as sponsor demands vary by project life cycle stage, so do those of project managers, as shown in Exhibit 4.20.

PROJECT LEADERSHIP Many people have become convinced that project managers need to provide leadership in various ways. Knowing the tools and techniques of project management and even knowing the content of the *PMBOK Guide* is useful, but not enough to be a great project manager. A dozen of the more common leadership challenges faced by project managers are shown in Exhibit 4.21. Another way to understand

EXHIBIT 4.19

PROJECT MANAGER JUDGMENT CALLS	
A few general questions project managers need to ask themselves is when to:	
<ul style="list-style-type: none"> • Act versus analyze • Lead versus follow • Lead versus administer • Repeat versus change • Change expectations versus accept them • Take over versus let the team perform • Focus on the big picture versus focus on details • Focus on technical versus focus on behavioral • Focus on short term versus focus on long term • Promote order (control) versus promote innovation (freedom) • Allow (constructive) conflict versus discourage (destructive) conflict • Focus communications inside the project versus focus communications outside • Demonstrate optimism versus demonstrate pessimism • Advocate for the project versus accept termination • Focus on project goals versus organizational, personal, or team member goals • Enhance, maintain, or accept changes in scope, quality, cost, and schedule 	

leadership demands of project managers is to consider the core competencies at a glance shown in Exhibit 4.22.

4-6c Facilitator

Some project management situations require facilitation because the situation is so complex and/or because the opinions are so varied. Sometimes, the workers on a project need to expand their thinking by considering the many possibilities (possible projects, approaches, risks, personnel, and other issues). Other times, the workers on the project

EXHIBIT 4.20

PROJECT MANAGER COMPETENCIES BY PROJECT LIFE CYCLE STAGE	
STAGE	COMPETENCY
Initiation	Effective questioning/generating feedback Persuasiveness/Marketing/Selling Listening skills Vision oriented/articulate the business problem Consensus building
Planning	Project management skills and knowledge Consensus building Technical skills/theoretical knowledge
Implementation	Ability to get along/team player Results oriented Truthful/honest
Close	Writing skills Share information and credit Pride in workmanship/qualitytruthful/honest

Source: Gregory J. Skulmoski and Francis T. Hartman, "Information Systems Project Manager Soft Competencies: A Project-Phase Investigation," *Project Management Journal* (March 2010): 61-77.

EXHIBIT 4.21

A DOZEN PROJECT LEADERSHIP CHALLENGES

General Project Leadership

- Provide situational and shared leadership
- Develop trust
- Manage and negotiate conflicts
- Manage political, social, cultural, and ethical issues

Team Leadership

- Develop high-performing project teams
- Participate in self-organizing project teams
- Overcome team-building obstacles
- Facilitate team decision making

Stakeholder Leadership

- Engage all stakeholders
- Influence stakeholder behavior
- Maintain effective multidirectional communications
- Deal with changes in the environment and within the project

Source: Adapted from unpublished discussion of Project Management Executive Forum meeting, October 10, 2106, Cincinnati, OH.

EXHIBIT 4.22

AGILE PROJECT LIFE CYCLE MODEL

Today's Project Manager

Core Competencies

AT A GLANCE
What Project Managers need today to be successful

Today's PM must be a LEADER	Today's PM must understand BUSINESS	Today's PM must be a CONTINUOUS LEARNER	Today's PM must be committed to the PROFESSION	Today's PM must have extensive EXPERIENCE	Today's PM is in the "PEOPLE BUSINESS"
Decision maker, lead by example, have integrity	Strategic thinker, company goals	Skills training, ongoing education	PMI Certification: PMP®, CAPM®	Different size projects & complexity	Stakeholders, project teams, communicator
Goal setting, results driven, be accountable	Finance, customer & internal needs	PM terminology, PM best practices	Program Mgmt, Agile, other PMI certifications	Virtual teams, global projects	Motivate, inspire, reward and recognize
Ask questions, active listener, follow-through	Industry, market	Sales skills, continuous improvement	Industry and technical certifications	Diversity in viewpoints, backgrounds, teams, cultures	Relationship builder, influencer, get buy-in
Project leader and business leader	Competition, trends	Project close-out: use Lessons Learned	Volunteer projects, contribute your expertise	Proven success on projects and teams	Maximize everyone's strengths

Developed by Connie Plowman, PMP, based on her experiences as a hiring manager, practitioner and instructor. connie@plowman.us www.linkedin.com/in/connieplowman

Source: Connie Plowman, PMP, Chief Operating Officer (retired), PMI Eric Jenett Project Management Excellence Award Recipient

need to focus their thinking by selecting from many options (a project, an approach, a contractor, or a mitigation strategy). Most project managers and sponsors can and do facilitate many meetings. However, the project manager may prefer to focus on the content of a meeting and enlist a facilitator to help focus on the process of the meeting. In these situations, an outside facilitator may be useful. Often, a disinterested sponsor or project manager (one who works on other projects, but not on this one) is used when a facilitator is needed. Sometimes, the chief projects officer or an outside consultant is used to facilitate.

4-7 Traditional Project Team Roles

The team- or associate-level roles in projects are core team members and subject matter experts (SMEs).

4-7a Core Team Members

Core team members are the small group of people who are on the project from start to finish and who jointly with the project manager make many decisions and carry out many project activities. If the project work expands for a period of time, the core team members may supervise the work of SMEs who are brought in on an as-needed basis. Ideally, the core team is as small as practical. It collectively represents and understands the entire range of project stakeholders and the technologies the project will use. It is generally neither necessary nor useful to have every single function represented on the core team, since that would make communication and scheduling meetings more difficult. Also, if every function is represented directly, team members tend to fight for turf.

The ideal type of core team member is one who is more concerned with completing the project (on time, with good quality, and on budget, if possible) than with either personal glory or with only doing work in his or her own discipline. He or she does what it takes to get the project done.

4-7b Subject Matter Experts

While core team members are typically assigned to the project from start to finish, many projects also have a specific and temporary need for additional help. The necessary help may be an expert who can help make a decision. It may be extra workers who are needed at a busy time during the life of the project. Some extra help may be needed for as little as one meeting; other extra help may be needed for weeks or months. These extra helpers are often called subject matter experts (SMEs) since they are usually needed for their specific expertise.

SMEs are brought in for meetings and for performing specific project activities when necessary. A project could have almost any number of SMEs, depending on its size and complexity. SMEs are not on the core team but still are essential to the project. SMEs may be on a project for a long time and thus be almost indistinguishable from core team members.

However, SMEs may spend only a little time on a particular project and, therefore, may not relate strongly to it. At times, it is a struggle to get them scheduled and committed. Typically, a project manager would have a newly assigned SME read the project charter and the minutes from the last couple of meetings before discussing the project with him. It is a balancing act to ensure that the SME understands what she needs to do and how important it is, without spending a great deal of time in the process.

4-8 Role Differences on Agile Projects



Agile project management roles are shown in Exhibit 4.23. Most of the same work still needs to be accomplished in organizations using Agile methods. Some of the work is

EXHIBIT 4.23

AGILE PROJECT ROLES		
EXECUTIVE ROLES	MANAGERIAL ROLES	ASSOCIATE ROLES
Customer (product owner)	Customer (product owner)	Team Member
Sponsor (product manager)	Scrum Master	
Portfolio Team	Functional Manager	
Project Management/Scrum Office	Coach	

performed by different people as there is an emphasis on empowering teams, and some is performed at different times as requirements and scope emerge gradually instead of just at the project start. Collaborative effort and communication specifically with the client are common features of Agile project teams.

On Agile projects, arguably the most essential role is the customer representative—sometimes called the product owner. This person is responsible for the return on investment earned by the project and accepting or rejecting acceptance of deliverables at the end of each iteration. The customer representative ensures that the needs and wants of the various constituents in the customer’s organization are identified and prioritized and that project progress and decisions continually support the customer’s desires. In Agile projects, the customer representative role is so continuous and active that we show it as both an executive- and managerial-level role. The customer representative does much of what a sponsor might in traditional projects, but there also may be a designated sponsor (sometimes known as a product manager) who controls the budget. The customer representative or product owner works with the team on a continuous basis, often performing some of the work a project manager might on a traditional project.

A portfolio team often performs much of the work of a traditional steering team and a similar office that may be titled differently, such as scrum office, performs much of the work of a project office.

The scrum master serves and leads in a facilitating and collaborative manner. In effect, this is a project manager who serves and leads in a collaborative, facilitating manner. This is totally consistent with contemporary project management since many individuals do much better work when they actively plan rather than have work assigned to them. The scrum master guides team members as they prioritize tasks and removes obstacles to their progress. This is a more limited, yet more empowering role than the traditional project manager. In this book, we consider the scrum master to be the project manager.

The functional manager (sometimes called a resource manager) has a similar, but sometimes more limited, role than the traditional department head. Many organizations using Agile also have a coach—acting as a facilitator and trainer.

The team members in Agile projects are assigned full time as much as possible, so there are very few subject matter experts. The teams are self-governing, so the team now accomplishes many of the planning and coordinating activities a project manager would typically perform. Small and co-located teams often characterize Agile projects and they work closely together. They organize themselves and exhibit significant maturity. They create their own estimates and report to each other daily. The same members should be on the team for the entire project or at least for an entire iteration,

although the team can change from one iteration to the next. The members should be co-located and assigned to the project full time for the duration of the iteration.

PMP/CAPM Study Ideas

When it comes to studying for the CAPM or PMP exams, make sure you know the Project Management Code of Ethics & Professional Conduct (referenced on p. 111 of this chapter) inside and out. This is one of the few things *not* found in the *PMBOK® Guide* itself but can be accessed directly from the PMI website. While only eight pages long, this code generally shows up multiple times on either test, thus providing a great deal of “bang for your buck” in terms of studying.

In this chapter, we highlight the fact that a project’s life cycle is often industry-specific or even unique to an organization. Regardless, PMI has identified five generic Process Groups, representing the stages that are typical of most projects. These include *Initiation, Planning, Executing, Monitoring & Controlling, and Closing*. You will be expected to know these in a great deal of detail, including inputs and outputs of each stage; into which process group and knowledge area each of the 49 individual processes fit; and how these processes interact with one another. This flow is shown graphically in the inside back cover of this book to help you visualize it. This will require a tremendous amount of studying and should not be underestimated.

Summary

Projects are accomplished either within an organization or between multiple organizations when different firms work together. Project managers are more effective if they understand the impact the organization has on the project. In contemporary society, different organizations choose different organizational structures because they feel there is an advantage in their unique circumstances. While many are still officially organized in a traditional functional manner, an increasing number of organizations have at least informal matrix relationships. The days of having only one boss are gone for many workers—and especially for many project managers. Each form of organization has strengths and challenges with respect to projects.

Organizations also have a culture—the formal and informal manner in which people relate to each other and decisions are made. The hierarchical approach with the boss having supreme authority has long vanished in many places. Many organizations today use a more collaborative approach—some much more than others. Whatever the approach, project managers need to

understand it and the impact it creates on their project. Project managers and sponsors need to create a culture in their project that is consistent with, or at least can work effectively with, that of the parent organization. Both organizational structure and culture can become more complicated if more than one organization is involved in the project and if they differ in these respects.

Projects follow a predictable pattern or project life cycle. Many industries have typical project life cycles, but they vary greatly. A project manager needs to at least understand what project life cycle model is used at her organization and often needs to select or modify the project life cycle to the specific demands of the project.

Multiple executive-, managerial-, and associate-level roles need to be performed in projects. The project manager is a central role and the subject of this book. Project managers need to understand the other roles and relate effectively to them, regardless of whether their project is being conducted using a traditional, Agile, or hybrid approach.

Key Terms Consistent with PMI Standards and Guides

functional organization, 102
projectized organization, 104
co-location, 105

matrix organization, 105
agile, 114
milestone, 117

Chapter Review Questions

- Describe how a strong (project) matrix is different from a weak (functional) matrix.
- Which organizational structure is often used for small projects that require most of their work from a single department?
- List advantages and disadvantages of functional, projectized, and matrix forms of organization.
- What is co-location, and why is it used?
- What are organizational values, and why should a project manager be aware of them?
- List and describe four different types of corporate culture.
- If more than one parent company is involved in a project, why is it important for the project manager to understand the culture of each?
- The project manager and sponsor need to act in the best interest of which three constituencies?
- According to the *PMI Code of Ethics and Professional Conduct*, project managers need to exhibit which four behaviors?
- In your own words, describe an ethical project culture.
- What are some characteristics of almost all project life cycles?
- What does the DMAIC model acronym stand for? When is this type of model used?
- What distinguishes an Agile project life cycle model from other types of life cycle models?
- For what five activities is the project steering team responsible?
- Who should select the project manager and the core team?
- Who is responsible for ensuring that the steering team completes its tasks?
- What types of control systems should a customer and contractor work together to set up and utilize?

Discussion Questions

- Marissa Mayer, former CEO of Yahoo!, sparked a national debate when she insisted that all her employees be physically present for work. Debate the merits of co-location, including its advantages and disadvantages.
- Identify each of the four organizational culture types with respect to power, and the strongest motivator for each type. In which organizational cultures do you feel most and least comfortable working? Why?
- List and describe at least four organizational culture characteristics that increase the likelihood of project success. Why is each characteristic helpful?
- Explain multiple methods through which project managers can lead by example.
- Define your personal project code of ethics.
- Brainstorm techniques that effective project leaders can use to resolve ethical conflicts on projects.
- You work for a software company. What benefits do you achieve by utilizing an Information Systems project life cycle model as opposed to other project life cycle models?
- If a project will be divided into many phases, which life cycle model would you recommend using to plan it? Why?
- Describe a possible imbalance between a project manager's authority and responsibility. What impact might it have on a project?
- Is it important to choose a member from every impacted function of a project for the core team? Explain why or why not.

PMBOK® Guide Questions

- All of the following are characteristics of a projectized organization *except*:
 - Decision making is streamlined.
 - Coordination is the responsibility of project managers.
 - Functional managers have the majority of authority.
 - Focus is on the customer.
- Characteristics of an organizational culture can have a major impact on a project's success. All of these are attributes of an organizational culture *except*:
 - motivation and reward systems
 - risk tolerance
 - code of conduct
 - financial control procedures

3. _____ organization structures can be classified as weak, balanced, or strong, depending on the relative level of influence between the functional manager and the project manager.
 - a. Silo
 - b. Matrix
 - c. Composite
 - d. Projectized
4. A hierarchical organization where each employee has one clear superior, and staff are grouped by areas of specialization and managed by a person with expertise in that area is known as a:
 - a. composite organization
 - b. functional organization
 - c. projectized organization
 - d. weak matrix organization
5. In an Agile life cycle model, _____.
 - a. the scrum master controls the team
 - b. detailed planning precedes execution
 - c. customer requirements are gathered early in the project
 - d. the team is self-directed
6. The project sponsor's responsibilities during the executing stage include:
 - a. reviewing and signing the project charter
 - b. signing off on the detailed project plan
 - c. ensuring communications with key stakeholders
 - d. producing project status reports
7. Group phenomena that evolve over time and include established approaches to initiating and planning projects, the acceptable means for getting the work done, and recognized decision-making authorities are referred to as:
 - a. organization structures
 - b. roles and responsibilities
 - c. project culture (norms)
 - d. vision and mission
8. Customer responsibilities on a project might include all of the following *except*:
 - a. perform the work of the project to achieve its objectives
 - b. advise on project requirements
 - c. review and accept project deliverables
 - d. participate in status or kickoff meetings
9. The Chief Projects Officer's or PMO's responsibilities might include:
 - a. signing the project charter
 - b. ensuring enough resources are available to perform the project
 - c. working with the team to create a project schedule and budget
 - d. promoting the project at the executive level of the organization
10. PMI's *Code of Ethics and Professional Conduct* is a guide for project management practitioners that describes the expectations that they should hold for themselves and others. Which of these is *not* one of the desired behaviors and basic obligations referenced by the code of conduct?
 - a. fairness
 - b. honesty
 - c. authority
 - d. respect

Exercises

1. Given a scenario, select a preferred organizational structure and justify your selection.
2. Describe examples of ethical (or nonethical) behavior as outlined in PMI's Code of Ethics and Professional Conduct exhibited on a project in the news.
3. Describe, with examples, how a project manager on a project you have observed did or did not exhibit desirable project manager behaviors as described in Exhibit 4.17.
4. Briefly describe how the sponsor of your project is or is not displaying appropriate life cycle-specific behaviors as described in Exhibit 4.15.

INTEGRATED EXAMPLE PROJECTS

SUBURBAN HOMES CONSTRUCTION PROJECT

Suburban Homes, once a medium-sized company, is rapidly expanding its business to southern states and is focused on maintaining its status as the fastest-growing construction company in

the Midwest region of the United States. Its significant growth and good reputation for building quality single-family homes and townhomes presents both challenges and opportunities.

Suburban Homes is considering various options to expand its operations while retaining its focus on managing resources effectively and efficiently to increase profits:

- Given the nature of its projects, Suburban Homes is considering either a projectized or matrix organization structure. However, a functional organization structure has not been ruled out.
- With its focus on maintaining high quality in its construction tasks and end-product (home for the customer) as well as quality assurance in implementing project management processes, the company is actively considering a combination

of the DMAIC model with a traditional project life-cycle approach.

- Organization culture plays an important role in sustaining and promoting efficiency. The culture, in turn, is influenced by the organization structure. Suburban Homes is highly committed to employee development and functional expertise through training, mentoring, and collaborative learning.

Which type of organization structure is more suitable as Suburban Homes opens new offices in other states? What is your advice to the company to address all these issues comprehensively and coherently?

CASA DE PAZ DEVELOPMENT PROJECT

First, the organizational structure for Casa de Paz is in a separate document. We still need names of individuals who are volunteering for each working group. For this book, we will list names by first name and initial of last name to protect privacy.

How do you envision this organization operating? Casa de Paz has a strong ethos of community, rooted in values of human dignity and a recognition that all of us thrive better in an atmosphere of mutual respect and care. Every subset of the community, from board members to staff to volunteers and affiliates to residents, communicates care and respect in their interactions with one another. Other behavioral norms stem from both these values and the vulnerability of the population we serve. Given the need, at times, for the organization to respond rapidly to serious, stressful, even life-threatening situations, board members, working group members, and even volunteers need to maintain confidentiality, think carefully, use discretion, and behave in a trustworthy manner.

For each project selected, we will have one person from the board serve as sponsor (product owner) and one person from the respective working group serve as project manager

(scrum master). The product owner for multiple products is sometimes referred to as a product manager. This person is Gillian A. The chair of the board and the scrum master for the entire effort is ____.

Since Casa de Paz is a 501(c)(3) nonprofit organization, part of the culture is voluntary. One challenge from a project management perspective is to get people to commit to completing certain work according to schedule when many have other full-time jobs. Helping the project teams make team decisions may be relatively easy. The pillars of PMI's Code of Ethics and Professional Conduct of responsibility, respect, fairness, and honesty should be very well accepted and valued.

An Agile approach makes the most sense for this project as many of the requirements are poorly understood at the start and many things are changing rapidly—such as having two buildings to consider with competition for both such that a third building might need to be found. Also, in Agile, we ask for commitment. If the team cannot commit to the body of work for the iteration, the plan is changed. The commitment is made at the team level at the start of the iteration.

Semester Project Instructions

For your example project, describe the organizational structure of the agency or company for which you are planning the project. Describe as many of the organizational culture attributes as you can. List, by name, as many of the project executive, management, and team roles as you can identify. Be sure to assign roles to yourself and your classmates if you are doing the project as a

team. How do you anticipate that the organizational structure, culture, and role assignments help or hurt your ability to successfully plan this project? Describe the project life cycle model that is used in the organization—and if one is not currently used, describe the life cycle model you plan to use and tell why it is appropriate.

PROJECT MANAGEMENT *IN ACTION*

Project Leadership Roles at TriHealth

TriHealth is a company that manages several large hospitals and a variety of other health organizations, such as physical fitness facilities and nursing services. Due to the company's increasing size and complexity, TriHealth leadership decided they needed to formally define roles of project executive sponsor, project leader, performance improvement consultant, core team member, and subject matter expert. These roles are shown as follows.

Project Executive Sponsor Initiating Stage

- Empower Project Leader with well-defined charter, which is the overarching guide
- Clearly define expected outcomes
- Demonstrate commitment to and prioritization of project
- Define decision-making methods and responsibility—sponsor/project leader/team
- Partner with Project Leader to identify obstacles, barriers, and silos to overcome

Planning Stage

- Ensure Project Leader understands business context for organization
- Ensure Project Leader develops overall project plan
- Assist Project Leader in developing vertical and horizontal communication plan
- Demonstrate personal interest in project by investing time and energy needed
- Secure necessary resources and organizational support

Executing Stage

- Communicate and manage organizational politics
- Visibly empower and support Project Leader vertically and horizontally
- Build relationships with key stakeholders
- Actively listen to and promote team and project to stakeholders
- Remove obstacles and ensure progress of project
- Ensure goals are met and stakeholders are satisfied

Closing Stage

- Ensure closure; planned completion or termination
- Ensure results and lessons learned are captured and shared
- Ensure assessment of related applications or opportunities
- Ensure any necessary next steps are assigned and resourced
- Recognize contributions and celebrate completion
- Negotiate follow-up date(s) to assess project status

Project Leader

All of the roles listed are the ultimate responsibility of the Project Leader. However, in the development of the charter, the Sponsor and the Project Leader will have a discussion about the Project Leader role. At that time, the individuals will determine if the Project Leader needs additional assistance or skills to facilitate the project success and which of these responsibilities need to be delegated to others with expertise in those areas.

- Leads negotiation with Sponsor for charter definition.
- Collaborates with Sponsor to clarify expectations.
- Provides direction to the team with integrity, leadership, and communication skills.
- Facilitates productive meetings and supports the team's decisions.
- Prepares the high-level work plan and timeline.
- Champions the project on the management level and with the staff.
- Leads the implementation of the project.
- Manages project flow, including agenda setting, meeting documentation, and coordination of team assignments.
- Develops implementation, education, and communication plans for the project.
- Responsible for the team and project progress and proactively intervenes to promote team and project success.
- Identifies, communicates, and facilitates the removal of barriers to enable successful project completion.

- Supports the team with tools and methodologies to accomplish goals.
- Facilitates collection and analysis of data.
- Leads the team in developing a plan to sustain the change and monitor effectiveness.
- Leads the team in developing recommended next steps.
- Closes project with Sponsor and ensures lessons learned are captured.
- Establishes with Sponsor the dates for post-project checkup and overall measurable effectiveness of project.

Performance Improvement Consultant

If the Sponsor and the Project Leader determine additional support/expertise is needed, a Performance Improvement Consultant can provide the following expertise:

- Provides direction to the Project Leader in establishing targets and a measurement and monitoring system.
- Mentors the Project Leader on leading the team through the project management process.
- Collaborates with the Project Leader to prepare a work plan and timeline for the project.
- Proactively intervenes to promote team and project success based on teamwork and interactions.
- Assists the Project Leader in identifying, communicating, and removing barriers to enable successful project completion.
- Assists in the researching, best practices, and benchmarking.
- Coaches the Project Leader on the development and implementation of a comprehensive communication, education, and change management plan.
- Provides the Project Leader support in ensuring regular communication with the Sponsor and Stakeholders.
- Offers expertise to the team with tools and methodologies to accomplish goals.

Source: TriHealth.

- Collaborates with the Project Leader on the collection and analysis of data.
- Ensures a system-wide perspective is considered and downstream effects analyzed.
- Provides change management education and assists the Project Leader in developing key strategies for successful change management.
- Provides coaching to the Project Leader on key strategies for successful planning, implementation, and sustainability of the project.

Core Team Member

- Takes responsibility for the success of the team.
- Attends meetings for duration of the project.
- Actively participates in team meetings.
- Understands the entire range of the project.
- Actively participates in the decision-making process.
- Supports the team's decisions.
- Completes outside assignments.
- Carries out many of the project activities; produces deliverables on time.
- Provides testing or validation of decisions being made by the team.
- Provides data collection and reporting.
- Participates in the communication, education, implementation, and evaluation of the project.
- Gathers input from the areas they represent, if appropriate.
- Shares team decisions and plans throughout the project.
- May work directly with Stakeholders or Subject Matter Experts.

Subject Matter Expert

- Not a core team member of the team.
- Participates in demonstrations/presentations and/or team meetings, as needed.
- Carries out project activities as assigned; produces deliverables.
- Responsible for supplying requirements.
- Provides input to the team or complete activities based on a specific expertise he or she possesses that is essential to the project.

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CHAPTER 5

Leading and Managing Project Teams

CHAPTER OBJECTIVES

After completing this chapter, you should be able to:

CORE OBJECTIVES:

- Describe stages of team development and strategies to move teams through the project life cycle.
- Describe characteristics of a high-performing project team; assess your individual and team capability; and describe how your team can improve.
- Describe methods of project team decision making and the circumstances in which each is likely to be most effective.

BEHAVIORAL OBJECTIVES:

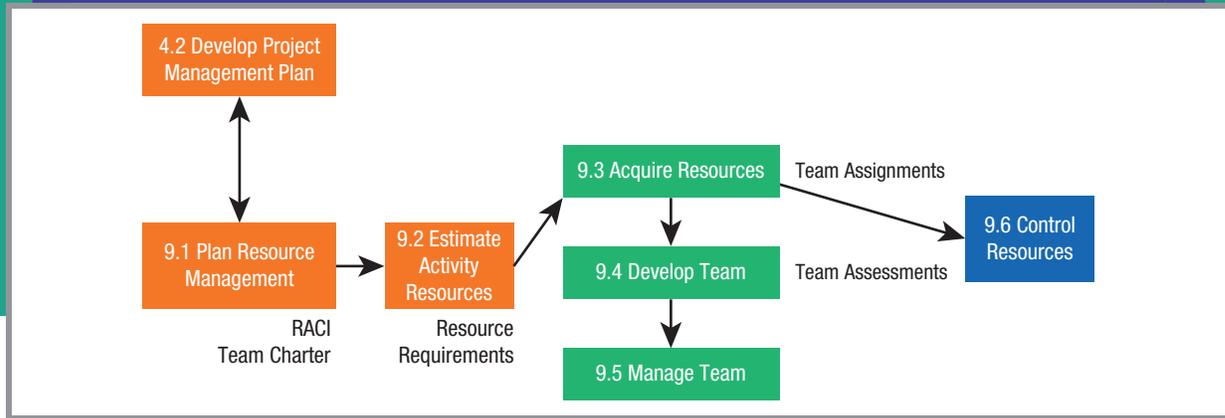
- Explain how to utilize the project team relationship and process ground rules to improve it.
- Describe types of project manager power and when each is appropriate.
- Describe typical sources of project conflict along with the steps in a conflict-resolution process, styles of handling conflict, and steps in a negotiation process.
- Summarize how to develop high-performance traditional and virtual teams.



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Gallup Consulting is a global research-based consultancy, specializing in employee and customer management. Our goal is to take discoveries in behavioral economics and apply them to management and business problems. Every organization has an enormous, but largely untapped, potential for breakthrough improvements in productivity through leveraging how human nature drives business performance. This unrealized potential can be measured and managed to improve performance.

Our consulting work is managed as a series of projects. At the start of each client engagement, project leaders gather the high-level information required to identify the client's problems and possible remedies, while understanding any constraints that will affect project success over the long term. The resulting project charter is a business case for the project and a description of how Gallup will add value to the client's organization. Codifying these commitments also helps in enumerating the roles and responsibilities of the project team members.



PMBOK® GUIDE

Topics:

- Acquire project team
- Develop project team
- Manage project team

CHAPTER OUTPUTS

- Team charter
- Resource requirements
- Team assignments
- Team assessments

Staffing a team is critical to project success. Our research shows that there are three keys to being an effective project leader:

1. Knowing and investing in your own strengths and the strengths of your project team.
2. Getting people with the right talents on your team.
3. Satisfying the four basic needs of those who follow your leadership: trust, compassion, stability, and hope.

By “strength,” I mean an ability to provide consistent, near-perfect performance in a specific activity. The first step to building strength is to identify your greatest talents—the ways in which you most naturally think, feel, or behave. Strengths are created when your naturally powerful talents are combined with learnable skills, such as how to put together a project budget. Gallup has studied more than 6 million people, and we have found that individuals have much more potential for growth and productivity in areas of great talent than areas of weakness.

A strengths-based approach improves team cohesion and generates better results. We have found that high-performing teams are more likely to match individuals’ talents to assigned tasks and emphasize individual strengths versus seniority in making personnel decisions. High-performing teams also have leaders who meet the needs of trust, compassion, hope, and stability.

We have found that while each team member has his or her own unique strengths, the most successful and cohesive teams possess a broader array of strengths. A tool like the Clifton StrengthsFinder® is useful for helping team members identify the ways they can best contribute to the team’s goals. Our research shows that the 34 StrengthsFinder themes naturally cluster into these four groups:

1. Executing—making things happen
2. Influencing—reaching a broader audience
3. Relationship building—holding the team together
4. Strategic thinking—focusing on all the possibilities

The student website describes these strengths from a project management perspective and tells you how to discover your own unique strengths.

—Jim Asplund, Gallup Consulting

An experienced project manager envisions project performance as two related activities. First, people must perform their roles in completing work activities according to the plan. Performance by people is the topic of this chapter. Second, data must be collected and used to determine the project progress and results. Data collection and determining project progress as measured in schedule, cost, quality, and risk terms are the subject of Chapter 14. While determining progress and results is conducted largely in parallel with people performing the project, the two are covered in separate chapters to emphasize exactly what needs to be done in each.

“**Management** is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources.”¹ Chapters 7 to 15 of this book deal primarily with planning, organizing, and executing the project. This chapter deals mostly with managing and leading project teams. While certain aspects of both management and leadership are necessary in dealing with project teams, in the contemporary approach to projects, the project manager works collaboratively with the project team to the extent possible while continually pushing to reach project goals. “**Leadership** is the influencing process of leaders and followers to achieve organizational objectives through change.”²

To further elaborate on the focus of this chapter, management is generally focused on traditional functions such as planning, organizing, and controlling. In this chapter, management is concerned with making decisions and working in teams to improve operational efficiency and effectiveness. Leadership, on the other hand, is about providing direction, motivating, and guiding people and teams to realize their potential and achieve challenging organizational goals.

This chapter starts with acquiring the project team up to the point that team members have been successfully brought on board to the project. The second section deals with various activities needed to develop the project team’s capability—many of which require leadership from the project manager. The third section includes several considerations for the project manager when managing the performance of the project team. The fourth section covers how to develop effective relationships within the core project team. The fifth section presents issues about conflict and resolution that occur when dealing with both team members and stakeholders. Finally, the concluding section details actions to develop virtual teams.

5-1 Acquire Project Team

Acquire project team is “the process of confirming human resource availability and obtaining the team necessary to complete project assignments.”³ Chances are the core team has already been assembled, as it is very helpful to have the core team together for planning—and even earlier, for chartering a project. However, on some projects, some core team members may be added later. Also, on many large projects, subject matter experts (SMEs) may be added during the early stages. This section deals with the timing of assigning a project team member (preassignment), securing the needed and desired team members (negotiation), and successfully adding them to the project team (onboarding).

It is not necessary for the project manager to always have an opportunity to select the project team members. However, she is still responsible for their performance. Likewise, in certain organizational settings, the project manager may not have total authority over the team member, but she still is accountable for all individuals’ and the team’s performances.

5-1a Preassignment of Project Team Members

Generally, it is helpful for a project to assign both core team members and SMEs as early as possible for various reasons. One reason is that people often do not like to be told what they must do, but are usually enthusiastic if they get a chance to help in creating a project plan. Therefore, it is good for motivational purposes to include the implementers in planning. A second reason is that when the people who will perform the work help to plan it, many more details may be considered and the resulting plans are often more realistic. Yet another reason to assign project team members early is to be sure they will be dedicated and be available when needed. For external projects, it is a common practice to list specific workers who will be assigned to a project team in the proposal, and occasionally they must be approved by the client. If the project is secured, it is helpful to bring the workers onto the project as quickly as possible.

The downside to bringing SMEs on board before they need to complete project activities is that it could be expensive. For a highly paid expert, this decision can be substantial and impractical. Another problem with bringing people on board early is that they may first be committed to finishing work on a previous project and may not devote the necessary attention to the new project. Regardless of how early you bring a person on a project, it is helpful to keep communications open with the prospective team member and his or her boss so they understand when the person is needed. This is especially critical if the project has a tight deadline and/or if the organization is using critical chain project management.

5-1b Negotiation for Project Team Members

Depending on the norms of the organization, a project manager may need to negotiate with the functional manager and/or a prospective team member directly to secure his or her services for a project. The functional manager (perhaps called a department head or line manager) has the responsibility of running his or her department. For example, the head of accounting is responsible for how the accounting function is performed. She wants to keep all of her workers busy, but not too busy, and wants all of her workers to progress in their capability.

The functional manager may see this project as a good opportunity for some on-the-job training to help a newer employee gain experience. The project manager, on the other hand, wants the “best” resource for his or her project. The best resource may already be busy. Wise project managers often develop good relationships with functional managers to have leverage in negotiating for a good worker. Functional and project managers may look at the situation from the perspective of the department or project, respectively, and have different ideas of who is the appropriate person to work on the project.

A project manager cannot expect to have the best resource from every department (unless perhaps the project is the highest priority project for the company). The functional manager may sometimes need to agree to a different resource from what he or she prefers. In short, most projects have a combination of experienced and inexperienced resources. If a project manager finds all functional managers are only offering inexperienced people, he should probably ask his sponsor for support.

In many organizations, project managers also need to persuade workers to work on their project. For experienced project managers, reputation goes a long way. A project manager can earn a reputation of being a good boss by caring for team members, helping people develop, and assisting them in securing interesting work and promotions at the end of a project. It is important to align individual aspirations and goals with project goals to get the best results from everyone on the project team.

Many employees campaign hard to work for a great project manager and avoid a poor project manager. When negotiating with a potential team member, a project manager wants to sell the project to the person. Of course, strong technical skills are important for SMEs and are helpful for core team members. However, especially for core team members, it may be more critical to be an excellent generalist and skilled at communication and making decisions. Many core team members need to deal with a variety of issues beyond their discipline and focus on making trade-offs that key stakeholders demand.

Sometimes, it is necessary to recruit project team members from outside of the parent organization. Tatro, Inc., uses this strategy, as described in Exhibit 5.1.

5-1c On-Boarding Project Team Members

The ideal time to bring team members and even a few SMEs on board, is when the project charter is being written. When that is not possible, the first thing a project manager might do is share the charter and the meeting minutes with the new member and then have a one-on-one discussion with that person. There are several purposes for this discussion. The first is to ensure that the new person understands the project at a high level and is enthusiastic about being part of it. The second is to learn about the person's personal and professional aspirations. The most effective and happy workers are those who understand how their personal goals and project goals are aligned. Does he or she want to experience the joy of working on something new, travel, training, new coworkers, and so on? What unique strengths does he or she already bring to the project, and what strengths does he or she want to further develop? At this point, the project manager can accomplish the third purpose of the talk, which is to assign the new team member to specific activities and develop a plan for personal improvement. Exhibit 5.2 illustrates how one consulting company that has many projects acquires and on-boards resources.

EXHIBIT 5.1

TATRO, INC., STRATEGY FOR RECRUITING PROJECT TEAM MEMBERS

Tatro, Inc., is a designer and builder of high-end landscape projects. Its strategy is to retain its core strengths of securing contracts, designing exceptional landscapes, and managing projects with demanding clients. It subcontracts most other work, but wants to be very careful that the work is done as well as possible. Tatro understands it needs to have self-motivated workers who are very presentable to discriminating clients. Tatro primarily relies on recommendations to identify potential workers. To screen potential workers, Tatro performs extensive background checks. It examines previous work performed by the worker, talks to previous clients, and attempts to ensure the worker's finances will allow him or her to be stable.

At that point, it attempts to recruit these proven workers. Chris Tetrault, president of Tatro, Inc., states that he uses a combination of four strategies to recruit, as follows:

1. Pay well.
2. Pay quickly.
3. Provide signature projects for the workers to showcase their skills.
4. Try to get them to like me.

Source: Chris Tetrault, President, Tatro, Inc. Reprinted with permission.

EXHIBIT 5.2**ACQUIRING AND ON-BOARDING RESOURCES AT ATOS-ORIGIN**

Resources are the most important assets of a consulting company. It becomes very important to nurture them, utilize them effectively, and at the same time make money for the company. At Atos-Origin (a leading IT consulting company), a structured process is followed to manage resources. Resource skills, credentials, and travel preferences; the business unit to which the resource belongs; a summary of projects worked on; and so forth are maintained in a searchable database. Utilization (amount of time a resource is used on projects) is tracked on at least a weekly basis. Resource availability (amount of time each resource is idle or is available for client projects) is also tracked and published to a large group of managers to keep in mind for upcoming assignments.

A central resource manager is responsible for tracking and managing resource utilization. If any member of the management team has an open requirement, the resource manager is first notified of the requirement, so that work can begin on tracking the right person for the role. Resource managers from each business unit meet regularly to discuss staff availability and open positions.

Weekly meetings are held with senior management teams to understand the open staffing requirements. As a first fit, internal available resources are aligned (based on the skills required, time frame of the project, and whether the role aligns with a person's career preferences) with open positions. Since Atos-Origin is a global organization, this helps the company to increase utilization of the individual resource and of the group as a whole. If existing resources are not available or do not fit into the assignment, a requisition to hire new resources is completed, and the job is posted for recruitment.

Atos-Origin considers three different types of external hires: full-time employees (the preferred option), hourly employees (work on an hourly basis; the option used when the project is for a short period of time or when the right resource does not want to accept a full-time offer), and subcontractors (contracting with other companies; the option used sometimes to mitigate resource risks).

The new resource who is hired is on-boarded to the company in a structured fashion, and the same process for managing the person's utilization and availability is followed. This structured process has helped reduce attrition, increased internal transfer of resources, helped individual resource growth, and increased the company's profitability.

Source: Rachana Thariani, PMP, Atos-Origin.

5-2 Develop Project Team

Develop project team is “the process of improving the competencies, team member interaction, and overall team environment to enhance project performance.”⁴ Developing a highly effective project team requires the following six activities from the project manager. Note these six activities build upon each other and are overlapping.

- 5-2.1.1 Understand stages of project team development.
- 5-2.1.2 Understand characteristics of high-performing project teams.
- 5-2.1.3 Assess individual member capability.
- 5-2.1.4 Assess project team capability.
- 5-2.1.5 Build both individual and team capability.
- 5-2.1.6 Establish team ground rules (team charter).

5-2a Stages of Project Team Development

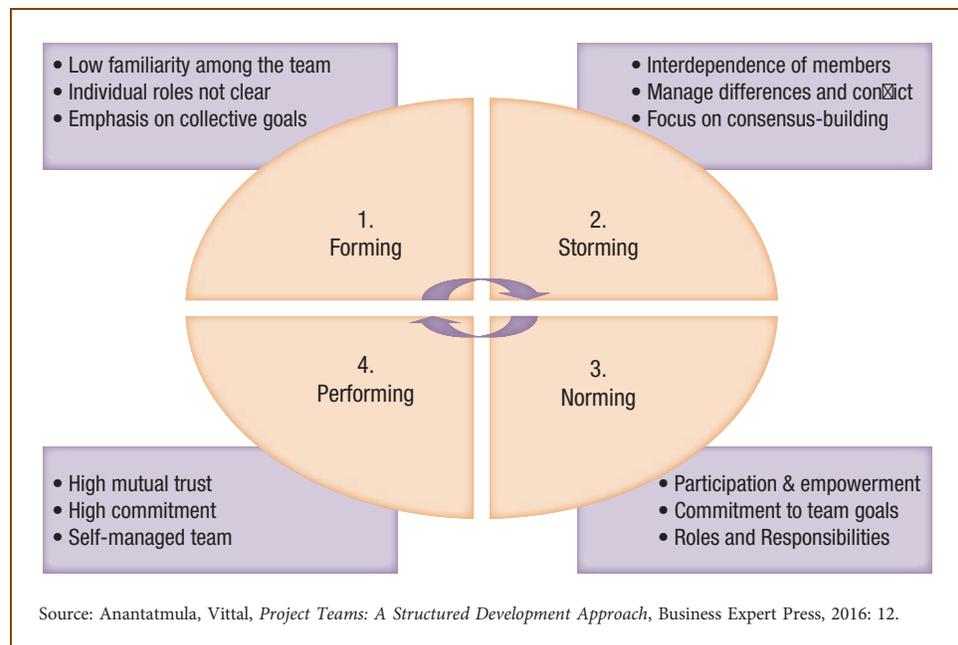
Project teams typically go through a predictable set of stages as they work together. By effectively using project tools and developing trust and understanding within their teams, project managers can greatly diminish some of the negative aspects of project team development stages. While almost all teams go through these stages, the duration of each stage varies for each team, based on various factors such as familiarity among the team members, corporate culture, uncertainties and unknowns associated with the project, and the urgency of the project. Consequently, some teams get “stalled” in an early stage and do not progress. Some get further along and then have a setback. Setbacks for project teams can also come from losing or gaining core team members or SMEs, changes in project requirements, quality problems with project deliverables, or other reasons. The good news for a team that suffers a setback is that because they worked through the team development stages once, they can probably work through the stages more quickly the second time. The bad news is that they do need to work their way through.

Each stage of team development has its own challenges. For a project manager to successfully help a team develop, he or she should be aware of how team members feel and what behaviors they frequently attempt at each stage. People have a tendency to be friendly with people who have similar values, while differences are often seen as a threat that may affect collaboration and lead to undesirable attitudes and behaviors. This behavioral issue presents challenges in managing teams, specifically global project teams, where diversity and cultural differences are the norm.

Exhibit 5.3 presents information about behavioral characteristics of the team during each stage of team development and ideas for managing them.

In learning about and using some of the project management tools that are described throughout this book, one can implement quite a few of the strategies for team

EXHIBIT 5.3



development. For example, when a team works together to create a good charter, they rapidly work through the project-forming stage and often begin to develop the openness, understanding, and trust that help make their storming stage faster and easier. Information regarding the issues, behaviors, and strategies associated with each stage is displayed in Exhibit 5.4.

Understanding the stages of development that project teams typically progress through is a basis for project goal attainment and project team development. For example, if a project manager of a new team wants to help his or her team progress through the stages without too much trouble, he or she can look at the top and bottom rows of Exhibit 5.4. New members often feel a combination of excitement about being picked for the new team and concern that the work may be difficult. The project manager can help the new team develop team-operating methods early—when they construct the project charter. Having the team decide how they will work together helps establish workable methods and simultaneously helps the team members start to know and trust each

EXHIBIT 5.4

PROJECT TEAM PROGRESSION THROUGH DEVELOPMENT STAGES					
	FORMING	STORMING	NORMING	PERFORMING	ADJOURNING
Team member relationship issues	Feel excitement, yet skepticism	Feel resistance, yet longing to commit to project	Feel part of team and believe project will succeed	Feel close to teammates and understand teammates	Feel strong attachment to team and feel loss when team disbands
Team members attempt to	Understand expectations, activities needed, and power structures	Jockey for power, ask many questions, and establish dubious goals	Accept team members, hold open discussions, and establish team norms	Improve self, prevent and solve problems, and expand beyond official role	Complete project on high note, maintain relationships with teammates, and seek next challenge
PM strategies to promote organization needs	Develop business case and acceptance criteria in charter	Develop stakeholder analysis, communication plan, budget, and quality plan	Manage trade-offs per stakeholder desires, include sponsor in talks, and conduct audit	Share applied learnings with organization and report progress to stakeholders	Secure customer acceptance of deliverables, honestly appraise team members, and provide ongoing support to users
PM strategies to promote project needs	Develop scope overview, milestone schedule, risks, and learnings in charter	Develop scope statement, WBS, schedule, and risk register	Add SMEs as needed, authorize work, and improve work processes	Monitor and control project according to plan and update plans as needed	Test project deliverables and secure team member endorsement of them
PM strategies to promote team member needs	Develop team operating methods and commitment in charter, and help members build relationships	Clarify each member's role, encourage all to participate, and determine team ground rules	Personalize each member's role, collaborate when possible, and assess and build members and team capability	Capture applied learnings and improve meeting and time management	Celebrate success, reward team members, and help team members secure follow-on work

Source: Adapted from Barbara J. Streibel, Peter R. Sholtes, and Brian L. Joiner, *The Team Handbook*, 3rd ed. (Madison, WI: Oriel Incorporated, 2005): 6–8.

other. Once the initial forming is over, it is common for teams to “storm”—that is, to feel more stress as they begin to understand how big and difficult the project appears upon closer scrutiny. Some of the team members may want to participate in the project performance yet may resist committing fully. The project manager may work with the team to help ensure that everyone understands and accepts their respective roles. Further, when each team member understands the other members’ roles, they can see how the project will be accomplished. The project manager can continue to encourage all team members to actively participate and to refine the team operating methods into ground rules if necessary.

Once a project team weathers the storming period, the members often are relieved because they start to believe they will be successful. Continued team building can help a team to refine its ability to perform. As team members are encouraged to collaborate and build capability, the team moves to a higher level, which is often called the performing stage. Not every team reaches this level. However, it is very satisfying for the teams that do because the team members realize and increase their potential. Also, this level is a valuable milestone at which lessons learned can be realized and used to help improve other project teams. Finally, project teams disband when the project is over. If the project has been successful, team members often feel both excited about facing new challenges and sad about leaving a satisfying experience and good friends. Project managers should use celebration, rewards, and appropriate follow-on work to guide the team through this last stretch.

5-2b Characteristics of High-Performing Project Teams

Once a project manager understands the typical stages of team development, it is time to understand the characteristics of high-performing project teams. These characteristics, which are an elaborate expansion of the performing column in Exhibit 5.4, reflect the ideals toward which a project manager tries to guide his or her team.

Teams eager to become high performing often create and use a team charter to enhance their effectiveness. A team charter presents information about how members are expected to collaborate in the activities of the project and participate in making decisions. Specifically, team members work in concert with one another. The team charter also specifies professional performance and the personal behavior of the team members to achieve harmony, teamwork, team spirit, and dedication.

Developing a team charter promotes collaboration and synergy among the team members and leads to better team performance. The team charter describes group norms, which are either written or unwritten rules that dictate behaviors and expectations of the team members. The charter guides team members regarding work ethics, honesty, integrity, respect, conflict management, decision making, and communication protocols. It is preferred for a project team to develop a team charter to improve its performance by defining norms for common understanding and agreement, as shown in Exhibit 5.5.

This chain of high-performing project team characteristics is shown in Exhibit 5.6. Remember, this is the ideal. Many project teams perform well and exhibit some, but not all, of these characteristics. Nevertheless, a conscientious project manager keeps these characteristics in mind and strives to help his team develop each one.

The characteristics of high-performing project teams start with the *personal values* of individual team members. While a project manager can and should strive to improve upon these values, it is far easier if team members are recruited with a good start on the following values:

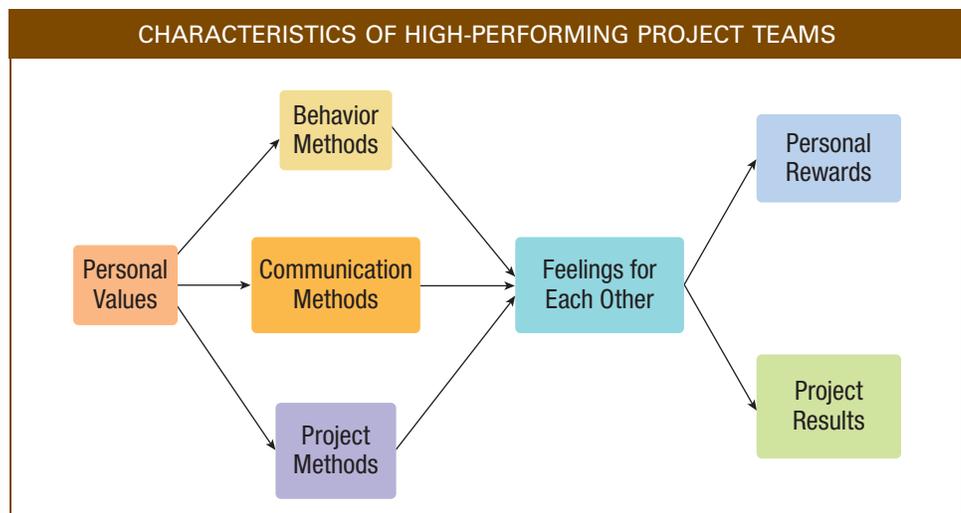
EXHIBIT 5.5

PROJECT TEAM CHARTER	
<p>Basic Performance</p> <ul style="list-style-type: none"> • Reporting/Processes • Elemental Data Reporting • Responsibilities and Assignments • Set Consequences of Nonconformance • Timeliness (Attendance as Well as Delivery) • Work Hours 	<p>Specify</p> <ul style="list-style-type: none"> • Time Spent • Obligations • Reporting • Deliverables • Knowledge Sharing • Tracking (Plan vs. Actual)
<p>Personal Behavior Expectations</p> <ul style="list-style-type: none"> • Civility • Meeting Protocols • Social Graces • Decision Protocol • Receiving/Offering Assistance 	<p>Attitudinal Expectations</p> <ul style="list-style-type: none"> • Cooperative Stance • Honest Communication • Conflict Recognition • Negotiations • Teamwork
<p>Desirable Norms</p> <ul style="list-style-type: none"> • Demeanor • Communication • Conflict management • Negotiation 	<p>Expected Outcomes</p> <ul style="list-style-type: none"> • Trust • Team Spirit • Harmony • Cohesiveness • Rare major conflicts • Commitment

Source: Anantatmula, Vittal, *Project Teams: A Structured Development Approach*, Business Expert Press, 2016: 136-139.

- High need for achievement
- Understanding and acceptance of personal responsibility
- Commitment to self-development and self-directed behavior
- Ability to put project needs before their own needs within reason
- Willingness to consider alternative views and to change
- Personal commitment to the project

EXHIBIT 5.6



The personal values can be enhanced by utilizing the following effective team behavior methods:

- Team members are selected to represent the right skill mix.
- Team members help each other.
- Team members demonstrate a constant focus on improvement.
- Team members use effective time management, including for meetings.
- Team members strive for innovation with few formal procedures.
- Team members capture, share, and use lessons learned.

The personal values can be further improved by practicing the following beneficial communications methods:

- Information is freely and widely shared within and beyond the team.
- All important topics are openly discussed.
- Conflict over approaches is valued, but personal conflict is discouraged.
- Potential problems are proactively reported.
- Teams conduct frequent debriefings and reflect to collectively learn.
- Barriers to communication are overcome.

Project managers can certainly use some of the following project management methods to further the team development:

- Agree on common goals and objectives for the project.
- Jointly plan the project.
- Use the charter to guide joint decision making.
- Work together to accomplish activities.
- Proactively identify and solve problems.
- Hold each other mutually accountable with individualized feedback.

Using effective team, communications, and project management methods leads to development of the following appropriate feelings that team members can begin to hold toward one another:

- Recognizing how interdependent they are
- Being flexible on how each contributes to the project
- Being willing to share risks with teammates and having tolerance for minor mistakes
- Understanding, appreciating, liking, and trusting each other
- Sharing in strong project leadership

This chain leads to two favorable outcomes. The first set of outcomes is personal rewards that each team member is likely to receive such as the following:

- Enjoyment of their work
- High spirit and team morale
- Pride in being part of the team
- Satisfaction in project accomplishments

The other set of favorable outcomes includes the following strong project results:

- Persevering despite challenges
- Producing high-quality results
- Consistently meeting or exceeding stakeholder expectations.⁵



In addition to these characteristics, agile teams are often described as being self-managed, focused on project goals, strong communicators, able to decide quickly, more

responsible, and willing to trust their instincts once they understand their sponsor. The result is that these team members are more satisfied, flexible, and accommodating.

Traditional projects use distributed work teams and more specialists and adopt a process-oriented approach. On the other hand, teams on agile project typically employ co-located teams to manage rapid changes and increments. However, agile teams can be in multiple locations. Further, agile teams require motivated members with a higher level of commitment. Agile teams have these seven desirable traits:

- Question everything
- Focus on innovation
- Fail their way to success
- Communicate thoughts and ideas
- Deliver value
- Change incrementally
- Connect with their purpose⁶

The Agile project team members are also responsible for regularly checking for deviations and should be capable of detecting aspects of the project that violate the specifications.

5-2c Assessing Individual Member Capability

Synergy results in a team having a collective capability that exceeds the sum of individual capabilities. Conversely, if team synergy is absent, the collective capability would fall short of individual capabilities put together. More often than not, individual team members with high capability can effectively be developed into a strong team. So, what capabilities should project team members possess? Five types of useful project team member capabilities are as follows:

1. Activity-specific knowledge and skills
2. Personal planning and control
3. Personal learning
4. Organizational understanding
5. Interpersonal skills and sensitivity

The first three capabilities are necessary for a person to be a strong individual performer, and the last two capabilities help a person become a valuable team player. While all five are useful, if a project manager wants to develop a strong project team, the last two capabilities may be more important. Too many teams have not achieved the expected success because team members were content with their individual performance.

The first type is activity-specific capability. If a team member is responsible for a specific function such as managing the construction of a stone wall, he or she should understand in detail what needs to be accomplished to create a desirable stone wall. If she will personally build the wall, she also needs the skills to do so. A second desirable capability is personal planning and control, for example, setting personal goals, accomplishing work as planned, and managing time wisely. Regarding the third capability, project team members should desire to continually improve and invest effort in their personal improvement. Learning should never stop.

The fourth useful capability is understanding the organizational structure, culture, and roles and using that knowledge to support the project manager in accomplishing project activities. This involves knowing the informal methods and networks within the parent organization. If the project is being performed for a client, it can also include knowing

how things work within the client's organization. The last useful team member capability is interpersonal skills and sensitivity. This includes skills such as active listening, effective speaking, and conflict management. It also includes possessing emotional intelligence and having sensitivity toward others who have different personalities or backgrounds.

5-2d Assessing Project Team Capability

When assessing project team capability, the project manager should remember that his or her responsibilities are to simultaneously support the parent organization, the project, and the project team. These three are intertwined in many ways. While much has been written concerning teams, Exhibit 5.7 summarizes the success factors of project teams. Note the related chapter number and specific topic where this book gives guidance to help achieve each success factor. Many practices of good project management (and good organizational management) help a project team to excel, just as many team success factors help a project team deliver desired project and organizational results.

For example, the project charter covered in Chapter 3 is helpful in achieving many of the project team success factors. The entire project charter is a basis for more detailed project planning and for understanding project objectives. Working together to develop, sign, and distribute the charter greatly aids in communications and commitment. Specific sections of the charter also help teams develop successfully as they realize shared goals and challenges. The team operating methods section helps guide team member behaviors as they resolve conflicts, the applied learnings help create a stimulating work environment, and the acceptance criteria help team members understand when they satisfy project stakeholders.

Following is a brief description of why each project team success factor listed in Exhibit 5.7 is useful:

1. Project teams with strong leadership are more likely to be successful. Leadership can occur at every level within a project team. Each member performs better by understanding both his or her own role and those of all the other executives, managers, and associates that are part of the team. Part of project team leadership is the project culture nurtured by the sponsor and project manager.
 2. Effective team leadership can lead to mutual trust, respect, and credibility among all parties.
 3. This, in turn, can lead to the cross-functional cooperation and support that help guide a project through turbulent situations.
- 4–5. Project managers have many project tools to guide a team—charters, stakeholder analysis, communications plans, scope statements, WBSs, schedules, and kickoff meetings. Collectively, they help to create clarity and active support for the project. It is difficult to overestimate the impact that effective communication has on project teams. When people are not given information, they must guess. Proactive project managers realize that developing and implementing an effective two-way communication plan is a major key to their teams' success.
- 6–8. The next three project team success factors—skills, objectives, and behaviors—apply specifically to the team. Assembling the right blend of skills and experience for the project team can be quite challenging. This is especially true in the current work environment of cost-control measures. One option for project managers is to staff the project with a combination of experienced and inexperienced members because it often costs less to include an inexperienced person in the project team. An expectation

EXHIBIT 5.7

PROJECT TEAM SUCCESS FACTORS			
	PROJECT TEAM SUCCESS FACTORS	CPM CHAPTER	TOPIC
1	Team leadership in setting direction and project culture	4	Project management roles, organization, and project cultures
2	Mutual trust, respect, and credibility among team members and leaders	4	Project management roles
		6	Build relationships
		5	Develop project team
3	Cross-functional cooperation, communication, and support	3	Project charter
		6	Communications planning
4	Clear project plans created by team and supported by organization	3	Project charter
		6	Stakeholder analysis
		7	Scope and WBS
		8	Activity schedule
5	Effective communications including feedback on performance	12	Kick off project
		6	Communications planning
		6	Information distribution
		14	Report progress
6	Team skills and experience appropriate and adequate	15	Secure customer acceptance
		9	Resource projects
		5	Acquire and develop project team
7	Clearly defined and pursued project and team objectives	14	Manage overloads and resolve resource conflicts
		3	Project charter
8	Use of task and relationship behaviors to resolve conflicts and problems	14	Direct and manage project execution
		3	Team operating methods
		6	Build relationships, meeting management
9	Stimulating work environment with opportunities for improvement and learning	11	Risk planning
		3	Applied learnings
		14	Process improvement
10	Opportunity for team and personal recognition when project satisfies stakeholders	15	Capture and share applied learnings
		3	Acceptance criteria
		15	Celebrate success

Source: Adapted from Hans J. Thamhain, "Team Leadership Effectiveness in Technology-Based Project Environments," *Project Management Journal* 35 (4) (December 2004): 38–39; and Roy C. Herrenkohl, *Becoming a Team: Achieving a Goal* (Mason, OH: Thomson South-Western, 2004): 9, 25.

can be set for the more experienced person to mentor the junior person. This promotes organizational learning as well as achieving the project's goals at a lower cost. Many project teams include a section in their charter on team operating methods. This section often spells out methods of decision making, meeting management, and demonstrating professionalism. While working through staffing decisions, an astute project manager may recognize people in two categories: task oriented or people oriented (relations). Both types are necessary, and the project manager will have to manage a balance by developing or recruiting team members.

- 9–10. When the first eight project team success factors are adequately accomplished, the last two are often realized. These last two—stimulating work and opportunity for recognition—have shown the strongest correlation to successful project performance as perceived by senior managers.⁶ People work hard and enthusiastically if they find their work stimulating and believe they will be rewarded for it. Appropriate and sincere recognition can often be at least as powerful a motivation as monetary rewards. Project managers can use their creativity to reward all who merit it.

All 10 of these project team success factors can be influenced by a project manager. Many of the success factors require some early work, such as the project charter, and some require continuing work as the project progresses. A new project manager can ask questions to determine to what extent his project team currently displays each of these success factors. Then he will be ready to build the team's capacity upon this base.

5-2e Building Individual and Project Team Capability

Project managers have many tools at their disposal for developing individuals and teams. Many of the methods can be used together and reinforce each other. Seven methods that many project managers find useful are as follows:

1. Demonstrate personal leadership.
2. Utilize project management tools.
3. Demand situational leadership.
4. Create a desirable team identity.
5. Teach personal responsibility.
6. Develop understanding and respect.
7. Use a learning cycle.

PERSONAL LEADERSHIP A good way for project managers to build the capability of their team is to start by being an effective leader. An effective leader creates and shares a strong vision for the project. Leading by example gives team members a model to follow. A project manager leads by balancing the demands of the parent organization, the project, and the team members. In this context, the project manager is a team member—but one who treats herself and all the other team members in a respectful manner. The project manager must use the highest levels of honesty and ethics. This includes never stating anything that is false, but also not giving any false impressions. This can cause a bit of extra work or conflict in the short term, but it is the only appropriate behavior and pays great dividends in the long run by encouraging (and even demanding) everyone else to do what is right. Transparency in communication and action and aligning both are critical and will set an example for the rest of the team and instill trust among all team members.

PROJECT MANAGEMENT TOOLS Project managers can use project management tools to develop focus and cohesion among team members. For example, the charter

helps a team to start quickly and collectively. The WBS, schedule, and other project management tools each help to focus the team in explicit ways. Specifically, the WBS is the best tool for project integration and assimilation of the project team to work toward specific goals and shared outcomes.

SITUATIONAL LEADERSHIP Depending on the team's initial capability, a project manager may need to start as a strong individual leader, but the goal is to develop multiple leaders on the project team. In fact, in a great project team, leadership is situational; that is, each member may have a leadership role in certain circumstances and follower roles in other situations. In areas in which a junior team member has specific knowledge, he or she should ensure that everyone understands the situation. Even a junior team member is often expected to lead in certain situations. Furthermore, during the initial stages of team development, the project manager assumes the roles of directing and monitoring team activities, but those change to supporting and facilitating roles once the team moves to the performing stage.

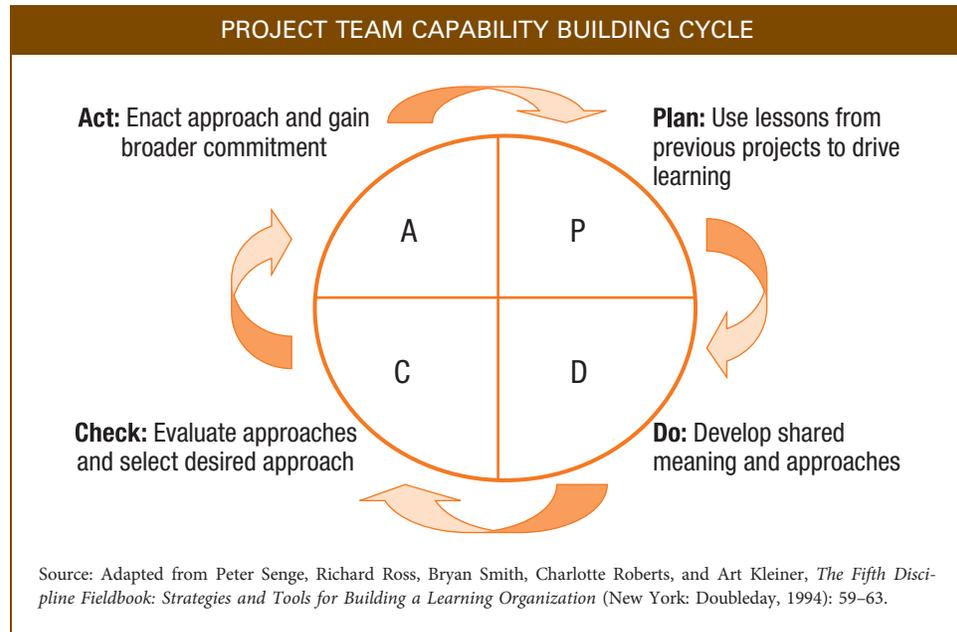
DESIRABLE TEAM IDENTITY Another way to build team capacity is to create a desirable team identity. Frequently, the project manager and sponsor start thinking about this even before they recruit the first team members. People want to be associated with a winner. If people believe that a project is vital to the organization and that the work is professionally stimulating, they want to be part of the team. Depending on the organization, some teams give detailed thought to the project name and "brand." Military organizations and sports teams often do well in developing and maintaining team identity by associating themselves with pride and prestige. Uniforms demonstrate this identity externally.

RESPONSIBILITY Project team members need to understand they all have three responsibilities. The first is to complete their individual work on time, on budget, and correctly as specified in the WBS dictionary. Second, they must complete their joint work responsibilities with teammates on time, on budget, and according to the plan. Third, each team member is responsible for improving work methods. Everyone needs to improve his or her personal work and work with the team to jointly improve the project team's capabilities.

UNDERSTANDING AND RESPECT Project team members need to develop understanding and trust in each other to develop team capability. Understanding other team members starts with understanding oneself. A self-aware individual is more effective in establishing relationships by better appreciating and valuing the contributions of others and being willing to learn from them. One method of understanding both oneself and others better is to use StrengthsFinder and to realize how each individual strength can be productively applied on projects, as shown on the student website. As team members understand one another and develop interdependence, they are naturally able to understand and develop interdependence beyond the project team. Since most projects have multiple stakeholders, this ability to connect at many levels is vital to team development.

LEARNING CYCLE Building project team capability can be envisioned as a learning cycle in which the team uses creativity to jointly develop and consider alternative approaches while striving to learn at each point in the process. This learning cycle can be easily understood using the plan-do-check-act (PDCA) model. The project team capability building cycle is shown in Exhibit 5.8.

Project team capacity building is performed in the context of planning and executing project work. Project teams can pass through this capability-building cycle repeatedly as

EXHIBIT 5.8

they progressively learn how to work better together to reach their project goals. Free and open communications along with a willingness to challenge each other are important because the project team may need to unlearn or give up past behaviors in favor of new approaches that might be more effective.

In the “plan” step, project teams are challenged with using lessons learned from previous projects to drive their improvement efforts. These lessons need to be compared to the emerging requirements for the project that the team learns from methods such as gathering requirements, meeting with customers, brainstorming risks, and holding design reviews. Further, historical data from Earned Value Management (EVM) of previously executed projects, which provide actual and realistic data, can improve accuracy of cost and time estimates of the current project, specifically for similar or identical WBS elements.

In the “do” step, the project team then uses this knowledge to develop shared meaning and potential approaches that they may use. The team uncovers assumptions, brainstorms alternative approaches, and often develops rolling wave plans so the results of early work will give the information needed to create good plans for later work.

In the “check” step, the project team evaluates the potential approaches and selects one. They can use techniques such as piloting new technology, creating a subject matter expert panel for recommendations, conducting feasibility studies, and reviewing the problem with key stakeholders to obtain a clear decision.

In the “act” step, the project team finishes the planning, carries it out, and gathers data regarding it. This data can be verified with the planned data for continuous improvement of the planning process of scope, cost, and time. Simultaneously, the team seeks acceptance beyond their team through articulating the project’s business case, involving key stakeholders, proactively communicating according to plans, and not acting until enough support is in place.

The cycle then repeats. Project teams that are serious about improving their capability repeat this cycle quickly within project stages, at key milestones, and from project to



moodboard/Alamy Stock Photo

Select team members with a variety of strengths to ensure balanced participation.

project. The improved capacity of one project team can be shared with other projects through lessons learned and sharing core team members and SMEs with other projects.

5-2f Establishing Project Team Ground Rules

Project teams often create a brief set of operating principles in their charter as described in Chapter 3. For small teams performing simple projects, these principles are enough to guide their behavior. This is especially true if the company has a track record of success with teams. However, many managers understand that more specific ground rules can help prevent many potential problems that some project teams encounter. Ground rules are acceptable behaviors adopted by a project team to improve working relationships, effectiveness, and communication. Therefore, many times, the simple set of operating principles is expanded into a broader set of ground rules.

Exhibit 5.9 lists a dozen of the most frequent topics that project teams choose to create ground rules to cover. Note the topics are classified as either dealing primarily with process issues or primarily with relationship issues. Note also that there is more than one way to implement each ground rule. Also listed in Exhibit 5.9 are two strengths from the student website that might be used in very different ways to accomplish each ground rule—and other strengths could be applied as well—each in its own unique manner.

RELATIONSHIP TOPICS The relationship topics both help the team make better decisions and help project team members feel valued. People who feel valued often work with much more enthusiasm and commitment.

Encourage Participation The first relationship topic is to encourage balanced participation. This balance can include drawing out an introverted person and asking a

EXHIBIT 5.9

A DOZEN GROUND RULE TOPICS FOR PROJECT TEAMS	
RELATIONSHIP TOPICS	PROCESS TOPICS
1. Encourage participation. Consistency Includer	1. Manage meetings. Achiever Discipline
2. Discuss openly. Communication Intellection	2. Establish roles. Arranger Individualization
3. Protect confidentiality. Deliberative Relator	3. Maintain focus. Command Focus
4. Avoid misunderstandings. Connectedness Harmony	4. Consider alternatives. Analytical Strategic
5. Develop trust. Belief Responsibility	5. Use data. Context Input
6. Handle conflict. Adaptability Empathy	6. Make decisions. Activator Restorative

talkative person to let another individual speak. Balance can mean ensuring that all functions are given the opportunity to provide input. Balanced participation can also mean sharing leadership roles. The project manager certainly needs to be a leader, but each project team member can provide leadership in certain situations.

Discuss Openly and Protect Confidentiality The second relationship topic is to encourage open discussion. When some topics are off limits for discussion, sometimes important issues are not raised, and poor decisions are made. Closely related to open discussion is the issue of protecting confidentiality. People should have trust that a sensitive issue will not be repeated outside of the project team. It is hard to work effectively together if team members are concerned that important issues could be shared inappropriately.

Avoid Misunderstandings Since projects are often staffed by people from different functions and even different companies, there is a strong potential for misunderstandings. Both the person stating something and the person listening have a responsibility to avoid potential misunderstandings. Many active listening techniques are useful for this purpose, such as summarizing what was said, asking the listener to restate what was conveyed, or asking for an example.

Develop Trust The fifth relationship topic is to develop trust. Each project team member has two responsibilities to establish trust. First, one should always be worthy of the trust of his or her teammates. This means accomplishing work as promised, communicating transparently, and being completely truthful always. Part of being truthful may be expressing in advance a concern about the ability to do certain work due to reasons such as skills, knowledge, or time constraints. The second responsibility is to trust his or her teammates unless and until one proves unworthy of trust. Many people live up to the expectations of others.

By practicing the highest ethical standards and expecting the same from other team members, a project manager can expect most team members to demonstrate their trustworthiness. That does not mean that you trust an inexperienced person naively to figure out how to perform a complex task independently. Common sense must be exercised in assigning work and determining the level of support required for everyone in the team.

Handle Conflict The final relationship ground rule topic is how to handle conflict. Conflict can bring out creative discussion and lead to better methods and solutions if the conflict is confined to a technical or task issue. However, conflict that becomes personal can be destructive and demotivating. Therefore, conflict over ideas is often encouraged (up to a point), while personal conflict is often settled by the concerned individuals off the project. The project manager may get involved and/or may bring in a neutral third party if necessary to resolve people-related conflicts. Conflict management is covered later in this chapter.

PROCESS TOPICS Process topics include how a project team works together as they gather data, meet, and make important project decisions.

Manage Meetings The process topic regarding meeting management is introduced in Chapter 6 in the context of improving and documenting meetings. Special applications of meeting management are covered in Chapter 12 for kickoff meetings and Chapter 14 for progress reporting meetings.

Establish Roles The second process topic is to establish roles. People are usually assigned to a project team in the role of project manager, core team member, or subject matter expert. Within the team, however, it is often helpful to assign roles regarding items such as who plans a meeting, who watches the time, and who records the minutes. One important principle with these role assignments is to try to help everyone feel valued. A person who is constantly assigned to perform unpleasant tasks may not feel as important or as motivated to contribute. Another part of assigning roles is to assign tasks to project team members between meetings. Each worker is then responsible for completing their assignments and to report if these assignments are not completed as planned. However, it is good practice to follow up with the members between meetings to ensure that project tasks are completed as planned.

Maintain Focus Project managers and the team are often under pressure to complete the project below the budget and ahead of schedule. Therefore, project managers need to ensure that the team stays focused. A periodic review of actual progress using the project plan and project documents to resolve disagreements regarding decisions can help greatly. The project charter and the plan remind the team what they are trying to accomplish and why. Another means of maintaining focus is referring to the stakeholder analysis and the trade-off decisions that the key stakeholders have indicated. The key with focus is to spend the most time and energy on important issues and to delegate, postpone, or ignore less important issues.

Consider Alternatives The fourth process-oriented ground rule topic is to always consider at least two alternative approaches before proceeding. It is amazing how many project teams simply agree with the first suggestion that someone makes. A team that invests as little as a couple of minutes of time can ensure that they have considered alternative approaches. Quite often, a much better idea emerges from a second or third suggestion than from the first one. Also, many times a project team decides to combine the better parts of two alternatives. This consideration of alternatives not only often yields a better approach, but it also often results in better commitment because more people's ideas were considered.

For example, in a project to install a suite of equipment at a customer's site, a final site investigation revealed that a major piece of equipment was not functional. One answer was to expedite the shipment of a duplicate piece of equipment, while a competing alternative was to use overtime labor and consultants to refurbish the onsite equipment. Both alternatives were expensive, and neither looked very promising. However, upon further discussion, it was determined that one section of the equipment was the primary concern, so a new section could be airfreighted in and the workers onsite could install it. This hybrid alternative proved to be far less expensive and more practical than either alternative that the panicked team first considered.

Use Data The fifth process-oriented ground rule topic is to always use data when possible. Gather the facts instead of arguing over opinions. In meetings, make the data visible to everyone on the team so that all can use it to help make informed decisions. It is possible that a team will generate more alternatives if the data is presented in meetings because it promotes constructive discussions and synergy. Many of the quality tools listed in Exhibit 14.9 help the project team to gather, organize, prioritize, and analyze data for making informed decisions.

Make Decisions The final process-related topic is decision making. Project decisions can be made in several different ways. Adherence to the other ground rule topics will help regardless of which decision-making method is chosen. Methods that project teams often use to make decisions include the following:

- The project manager or sponsor makes the decision.
- One or two team members recommend or make the decision.
- The project team uses consensus to make the decision.
- The project team votes to make the decision.

On some issues, the project sponsor or project manager retains the right to make a decision. Sometimes, this is because a decision needs to be made quickly or it takes higher authority. A sponsor or project manager may also ask for input from the team and then make the decision. While this is often a good idea, that person should be very careful to tell the team up front that he or she still intends to make the decision. Otherwise, the team members who provided input may feel that their ideas were not considered.

Project managers may choose to delegate a decision to one or two team members—either members of the core team or SMEs. This strategy works well when not enough information or time is available at the current meeting and the decision needs to be made before the following meeting. Decisions that primarily impact one or two members rather than the entire project team are ripe for delegation. Delegating to two team members has the secondary benefit of their getting to know each other better and working well together for the rest of the project duration. A variation on this delegation strategy is to ask one or two team members to investigate and recommend a solution on which the team can decide at the next meeting. Over the course of a project, most team members will probably get the chance to make certain decisions.

Consensus is wonderful, but reaching it requires a time-consuming technique. True consensus means each person actively supports the decision—even if it is not his or her first choice. The team tells stakeholders that after discussion they understand the decision that was made is the best one for the project. To reach this true consensus, each person needs to be able to articulate what he or she believes is important in the decision and why. Creative approaches may need to be developed when none of the original ideas pleases everyone. Consensus is helpful when significant commitment is necessary to implement the decision. Consensus also might involve cultural issues, so it is important to include everyone in making decisions.

One final method that project teams might use to make decisions is to vote. This is often a poor choice since the losers of the vote may not be very enthusiastic and may not support implementation of the choice wholeheartedly. Another method may be better than standard voting. A straw vote—that is, a test for agreement—is a method by which a team may take a nonbinding vote. If most of the team agrees, then it may not take long to drive toward consensus. If many members do not agree, then delaying the decision, gathering more data, or agreeing to let one person make the decision may be in order.

5-3 Manage Project Team

Manage project team is “the process of tracking team member performance, providing feedback, resolving issues, and coordinating changes to optimize project performance.”⁷ When managing the project team, a project manager uses various forms of power to get team members to prioritize and commit to project work. Project managers are often called upon to either assess members’ performance or to at least provide input for the performance assessments.

5-3a Project Manager Power and Leadership

Since project managers often rely on people who do not report directly to them to perform some of the project work, they need to use various forms of power to encourage people to perform. Types of power available to project managers are shown in Exhibit 5.10.

EXHIBIT 5.10

TYPES OF PROJECT MANAGER POWER		
TYPE OF POWER	BRIEF DESCRIPTION	WHEN USED
Legitimate	Formal authority based upon user’s position	Asking people to perform within their job description
Reward	Persuading others based upon giving them something	If team members perform well and if negotiating for resources
Coercive	Punishing others for not performing	Only when needed to maintain discipline or enforce rules
Referent	Persuading others based upon personal relationship	Frequent since project managers often lack legitimate power based upon position
Expert	Persuading others based upon your own knowledge and skills	When others respect your opinions
Information	Control of information	Frequent, as a large part of a project manager’s role is to convey information
Connection	Informal based upon user’s relationships with influential people	When working with project sponsors and when negotiating for resources

Source: Adapted from Robert N. Lussier and Christopher F. Achua, *Leadership: Theory, Application, Skill Development*, 4th ed. Mason, OH: South-Western Cengage Learning, 2010: 110–117.

LEGITIMATE POWER Project managers often may not have authority over the project team members, although they are responsible and accountable for their performance. Therefore, project managers often have less legitimate power than other managers. However, to the extent that project managers can ask team members to perform certain activities, they should do so. In contemporary project management, a project manager often has a core team to help plan and manage major parts of the project. These core team members are probably the people the project manager can instruct to perform certain activities, but he or she would be better served when it is possible to ask them to plan the activities. The old axiom is true: people tend to support the things they helped to create.

REWARD AND COERCIVE POWER Reward and coercive power are opposites of each other. Not all rewards cost money. In fact, stimulating work is one of the most powerful rewards. Enticing people to perform well so they can be assigned to more interesting and/or challenging work helps the team member, the immediate project, and the organization. While reward power is the preferred method, there are times when a person is not performing and a threat, or coercion, may be necessary. This is especially true if most members of the project team are performing and one or two members are not. People who work hard value teammates who also work hard and are often upset when some members do not contribute their share.

REFERENT POWER Referent power is when a project team member works for the project manager out of personal desire. Project managers sow the seeds for referent power when interviewing candidates for their project team. If the project manager takes the time to understand the personal motives of each team member, he or she can create desirable opportunities for each. Individual project managers who remember the adage “no one loves your project as much as you do” use their referent power by continuing to describe their project’s purpose in ways that appeal to each individual worker’s desires. Many successful project managers work hard to develop both friendships and respect with their team members. Loyalty must go both ways. If a team member believes a project manager has his or her best interests at heart and will advocate for him or her, then that team member is more likely to demonstrate loyalty to the project manager by working hard.

EXPERT POWER Generally, people want to succeed in whatever they do. Project managers can tap into this desire by using expert power. If a project manager has a reputation for success and can convince others that he or she understands enough of the project management technology and politics to successfully guide the project, then people will be more inclined to work hard on the project. They will be convinced that their efforts will pay off and that they will have a chance to learn and grow professionally.

INFORMATION POWER Information power is something that project managers want to use, but not in a coercive manner. While information is power, withholding or distorting information is unethical. A project manager’s responsibility is to ensure that whoever needs certain information receives it in a timely manner, in a form they can understand, and with complete honesty and accuracy. That does not mean sharing confidential information inappropriately. It does mean empowering the core team to distribute information promptly and accurately according to the communication plan. This gives the core team more knowledge power.

CONNECTION POWER The very reason for having executives sponsor projects is because the sponsor frequently has more legitimate power than the project manager. Project managers can use the power of the sponsor when necessary. A project manager who

frequently asks the sponsor to intervene looks weak. On the other hand, a project manager who does not ask for the sponsor's help when it is really needed lacks judgment. Project managers can create many champions for their project by continuing to expand their contacts with important people and by continuing to talk about the importance of their project.

5-3b Assessing Performance of Individuals and Project Teams

The second aspect of managing project teams is assessing the performance of both individuals and the project team. Goals of performance assessments include administrative uses such as rewards and promotions and professional development such as determining areas for improvement and training. In many organizations, a large percentage of people dread performance assessments. Many people do not enjoy giving honest feedback—particularly about shortcomings. Also, many people do not like to receive constructive feedback. However, for both reward purposes and to improve performance, honest assessments are needed. Performance assessment can be both informal and formal. Project managers often perform informal assessments by observing, asking questions, and providing suggestions. This improves performance if it is done regularly, as timely and specific feedback is most effective.

Formal performance assessments are often the primary responsibility of the manager toward people who directly report to him. In many organizations, this is a functional manager. However, because many project team members spend significant time on a project, the project manager is often asked to provide input for the formal performance assessment. The ideal situation for this input is when the team member helped participate in the project planning and is judged by how his or her work corresponds to the planned work. Many project team members may work on several projects during the formal assessment period. When that is the case, the projects where they spent the greatest time would ideally count the most toward their performance rating. On some large projects, a project manager may seek input from other team members regarding the team member's performance.

5-3c Project Team Management Outcomes

A variety of outcomes may result from managing the project team, such as the following:

- Morale changes
- "Quarter-mile stones" to "inch stones"
- Staff changes
- Training needs
- Discipline
- Role clarification
- Issues
- Lessons learned

MORALE CHANGES Many projects have periods that are difficult, when work demands are high and milestones to celebrate are few. During these times, the project manager needs to remember that the way he or she wields power, communicates, appraises progress, and generally manages can enhance or detract from the morale of all involved. Continuing to reinforce the project's purpose, encouraging and supporting workers, and trying hard to understand their concerns can go a long way toward boosting morale.

QUARTER-MILE STONES TO INCH STONES When constructing the project charter, the team developed a list of milestones that could be used to measure progress. On some projects, that is enough detail against which performance can be measured. On other

projects, however, more details are needed. Perhaps these greater details could be considered “quarter-mile stones”—giving the ability to check progress more frequently. When assessing the performance of individual workers, if one individual worker consistently does not perform well, the project manager may decide that more detailed oversight is necessary. This could result in “yard, foot, or inch stones,” depending on the level of oversight deemed necessary. Hopefully, for most projects and most workers, this additional oversight will not be necessary. It takes time and effort that could be spent on other productive activities. However, a wise project manager is not going to let a project get derailed because of one worker who is not performing well.

STAFF CHANGES Poor appraisals, insufficient progress, conflict, necessary reassignments, or other causes may warrant staff changes on a project. When this occurs, wise project managers treat everyone with respect and recognize that changes are happening. When new people are added, they are given a formal introduction to the team and provided information about the project.

TRAINING NEEDS In the course of performance appraisals, training needs are sometimes identified. Project managers should keep the immediate project needs along with the training needs in mind as they approve training.

DISCIPLINE Performance on some projects is so poor that employees need to be disciplined. While coercive power is often considered a last resort, it should be used at times. Project managers must ensure that prior warnings of poor performance are issued to a struggling team member so that person has an opportunity to make amends. Specific behaviors or lack of progress are documented, the need for the discipline is explained clearly, and specific improvement strategies are developed to reduce the chance that further discipline will be needed.

ROLE CLARIFICATION Sometimes, progress may be lacking because of misunderstandings in responsibilities or miscommunication. In those cases, the project manager can clarify roles of all impacted employees by detailing their roles in completing WBS tasks, responsibilities toward other team members and the project, and what is expected of them in terms of project tasks and professional behavior.

ISSUES AND LESSONS LEARNED Many project managers keep issue logs. These serve as living documents of issues that arise while managing the project and the project team. As issues are raised, they are added to the log, and once they are resolved, they are deleted. The resolved issues sometimes make good lessons learned if they can help future project teams avoid similar problems. These lessons can be documented and stored for easy retrieval in a lessons-learned knowledge base.

5-4 Relationship Building Within the Core Team

Project sponsors and managers who wish to create highly productive workplaces ensure that core team members understand what is expected of them, have the chance to do work they are well suited to perform, receive appropriate recognition, have good coworkers, have their opinions considered, and have opportunities to grow and develop.⁸ The sponsor and the project manager ideally begin by asking one another about personal expectations regarding the project and project goals such as specific capabilities of the project deliverables. Both the project manager and sponsor may have *individual motives* also. It is helpful to disclose and acknowledge these personal goals to each other.

The project manager, in turn, asks each core team member what he or she personally wants from being involved in the project. These conversations not only help the project

manager understand priorities but also understand motivations. For example, core team members may want to participate in a stimulating experience, gain new skills, or earn a promotion. Understanding these motivations will make it easier for the project manager to address them. Aligning individual aspirations with project goals in determining individual roles and responsibilities is desirable and productive.

The project manager can encourage *open and transparent communication* such as keeping people informed, demonstrating that everyone's input is valued, personally sharing feelings, and respecting confidentiality. She should set the expectation that all team members practice these habits.

Joint establishment of project meeting agendas helps in building relations because all team members feel their concerns are addressed, and they develop a greater sense of ownership in meetings. When members get to *share in meaningful project learning*, they feel their insight is valued. *Frequent celebration of small successes* helps project team members *share the enjoyment* of working on a project, which in turn helps them stay committed to successful project completion.

One other key relationship-building activity that needs to start early and continue throughout the project is concerned with *appropriate decision making and problem solving*. The project manager and core team need to understand who makes each type of project decision and how those decisions are made. One consideration is that people involved in making decisions tend to support them. Decisions made by groups tend to take longer, and projects are often pushed for time. Some decisions are best made by a single expert, while others are best made by a group that represents various points of view. Each project team will need to determine who will make which types of decisions. Exhibit 5.11 gives general advice that can be applied in making this determination.

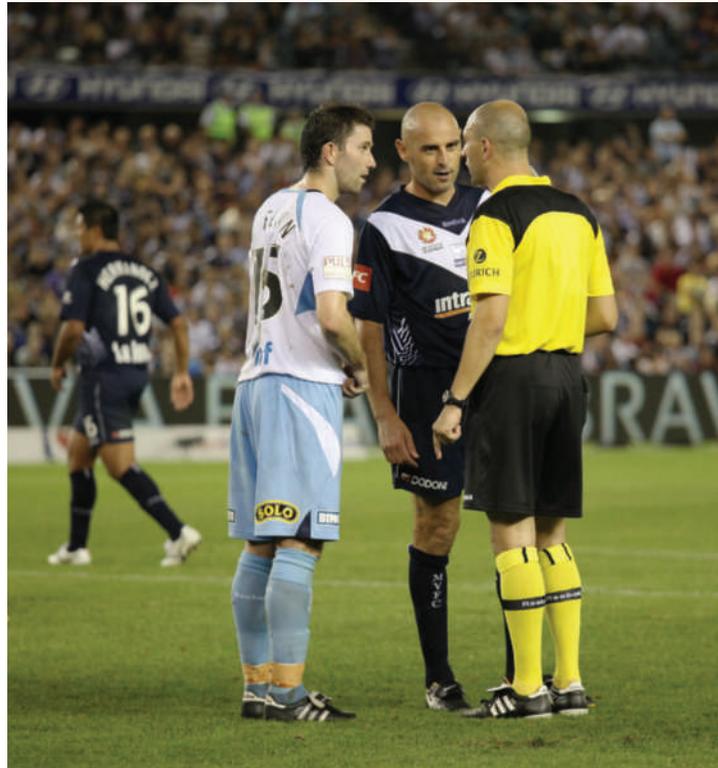
5-5 Managing Project Conflicts

Projects create unique outputs, work with diverse stakeholders, are represented by team members from various functions and even different companies, and frequently operate in a matrix environment. These factors, along with scope, time, and cost constraints, contribute to potential conflicts. Many project management initiating and planning tools exist to reduce destructive aspects of conflict, at least partly. This section discusses different ways to view conflict, along with various styles and approaches for dealing with it. This section also introduces a project conflict-resolution process model.

In dealing with task-related conflicts, project charters are meant to help the project core team, project manager, and sponsor understand many aspects of the project at a high level and head off potential conflict between individuals. Several components included in charters,

EXHIBIT 5.11

PROJECT DECISION-MAKING GUIDE	
PERSON/METHOD	WHEN
Sponsor decides	Critical decision, large monetary stake, "big picture" needed
Project manager decides	Time is critical, no need for other input
Functional manager decides	"How" functional work is done
Core team discusses and project manager decides	Team input is useful
Core team consensus	Buy-in is critical
Delegated to one or two team members to recommend	Needs to be investigated, team input useful
Delegated to one or two team members to decide	Needs to be investigated, team input not needed



Neale Cousland/Shutterstock.com

for example, assumptions, risks, roles, responsibilities, and acceptance criteria are examples of potential sources of conflict. Stakeholder analysis and communications planning can identify needs and desires of many others who will be impacted by either the process of performing the project or a deliverable of the project. These tools help to identify and deal with potential sources of conflict among the broader stakeholders. The more-detailed planning tools such as the WBS, schedule, and budget help to identify other conflict sources.

People-related conflicts can be effectively addressed by developing a team charter, as discussed in Section 5-2b of this chapter. Everyone comes with unique experience, knowledge, IQ, and personality type and these differences can be a source of conflict. A team charter helps to define norms, attitudinal preferences, work ethics, and responsibilities for all team members. Adherence to team charter elements promotes mutual understanding and conflict resolution.

5-5a Sources of Project Conflict

Some conflicts on projects are useful; other conflicts can be destructive. Conflict over ideas on how to proceed with a project can lead to more creative approaches. Conflict over how to complete a project with a tight schedule can also be positive. Competition for ideas on how to best handle a project activity has the potential for generating more innovative and successful approaches and can be highly stimulating work. However, when conflict becomes personal, it can often become negative. These types of conflict need to be handled with care. A few typical sources of project conflict are shown in Exhibit 5.12. Generally, it is better to deal with conflict on projects promptly—or even proactively. Conflicts do not get better with time! This is especially true for projects with significant pressure to stay on schedule or on budget (in other words, many projects).

EXHIBIT 5.12

TYPICAL SOURCES OF PROJECT CONFLICT	
RELATIONSHIP SOURCES	TASK SOURCES
Roles and responsibilities	Stakeholder expectations
Lack of commitment	Unique project demands
Communications failure	Money and other resources
Different personalities	Technical approach
Stakeholder relationships	Priorities
Personal motives of participants	Differing goals of stakeholders
Energy and motivation	Task interdependencies
Next project assignment	Schedule
Individual rewards	Risks

Virtually all studies have determined that relationship conflict can be detrimental to project team success. When people spend time and emotional energy arguing, they have less energy to work on the project. Also, when people have personal conflicts to the point where they really do not like each other, they often feel less committed to the project and to their team.

Task conflict is a bit more complicated. A certain amount of task conflict can encourage people to consider alternative approaches and to better justify decisions. Up to that point, task conflict can be useful. However, beyond a certain point, when people spend a great deal of time arguing over task-type issues, conflict takes away from the project team's progress and camaraderie. The timing of task conflict can also make a difference on whether it helps or hurts the project. The best times to discuss different options are during the initiating stage, when high-level approaches are being decided, and during the planning stage, when more detailed decisions are being made. However, once the plans are made, a project team needs to be a bit more careful because prolonged discussions during the executing periods of the project can lead to schedule slippage and cost overruns.

In general, conflict occurs due to incompatible goals and differences in thoughts or emotions among the team members. It is a common experience with any team or a group of highly skilled and exceptionally creative individuals to interpret facts and events differently. The project manager must capitalize on this intellectual diversity using effective communication techniques and debates to identify the most appropriate resolution.

5-5b Conflict-Resolution Process and Styles

Once a project manager recognizes that a conflict exists, if it is a task conflict, he or she tries to utilize it to develop a better solution. If it is a relationship conflict, he or she tries to resolve it before it escalates. A project manager can use the six-step project conflict-resolution process, making sure to pay attention both to the tasks and relationships needed at each step.

Six-Step Project Conflict-Resolution Process

1. Understand the conflict.
2. Agree on conflict-resolution goals.
3. Identify causes of the conflict.
4. Identify potential solutions for the conflict.
5. Pick the desired conflict solution.
6. Implement the chosen solution.

First, the project manager and the team investigate the situation: What are the signs of the conflict? Is it specific to a certain stage in the project? Does each party in the conflict

understand it the same way? If not, they need to ask clarifying questions, summarize how the other person has stated the problem, and confirm that they have a common understanding.

Next, ensure that all parties agree on what a successful conflict resolution would be. While there are often conflicting goals on projects, all stakeholders typically want useful deliverables on time and on budget. Use the project goals as a basis for what the solution needs to cover.

Many conflicts have multiple causes, such as those shown in Exhibit 5.12. Identify potential causes and then verify which cause(s) are contributing to the conflict.

The next step is to identify potential solutions to the conflict. This is clearly a time where creativity and mutual trust are helpful. It is important to focus on the conflict issue and not the person. Also, potential solutions should be considered based on their value and should not be evaluated based on the person who suggests a solution.

The fifth step is deciding how to resolve the conflict. There are five general styles for resolving project conflict, as depicted in Exhibit 5.13.

The collaborative style is preferred for important decisions that require both parties to actively support the final decision. However, collaboration requires both parties to develop trust in each other and, therefore, often takes longer than the other styles. Therefore, each style in 5.13 has its value in dealing with project conflicts.

The final step is to implement the chosen solution. For a major conflict, this could be almost like a mini-project plan with activities identified and responsibility assigned. It is vital to include communication of the solution to all concerned parties.

5-5c Negotiation

Negotiation is about redefining an old relationship that is not working effectively or establishing a new relationship.⁹ Negotiation is the most commonly used process and the first step to resolve a dispute, a difference, or a conflict.

Project managers are generally held accountable for more performance issues than they have responsibility to direct people to perform. Because of this, project managers must negotiate. As stated earlier in this chapter, they often need to negotiate with functional managers for the people they wish to have on the project team. Project managers

EXHIBIT 5.13

STYLES OF HANDLING PROJECT CONFLICT			
STYLE	CONCERN FOR SELF	CONCERN FOR OTHERS	WHEN APPROPRIATE FOR PROJECTS
Forcing/ Competing	High	Low	Only when quick decision is necessary, we are sure we are right, and buy-in from others is not needed
Withdrawing/ Avoiding	Low	Low	Only when conflict is minor, there is no chance to win, or it is helpful to secure needed information or let tempers cool
Smoothing/ Accommodating	Low	High	Only when we know we are wrong, it is more important to other party, or we are after something bigger later
Compromising	Medium	Medium	Only when an agreement is unlikely, both sides have equal power, and each is willing to get part of what they want without taking more time
Collaborating/ Problem Solving	High	High	Whenever there is enough time, trust can be established, the issue is important to both sides, and buy-in is needed

Source: Adapted from Richard L. Daft, *Management*, 9th ed. (Mason, OH: Southwestern Cengage Learning, 2010): 519–520; Ramon J. Aldag and Loren W. Kuzuhara, *Mastering Management Skills: A Manager's Toolkit* (Mason, OH: Thomson South-Western, 2005): 416–419; and *PMBOK® Guide* 240.

often need to negotiate with customers and other key stakeholders concerning schedule, budget, scope, and a myriad of details. They also often need to negotiate with sponsors, suppliers, SMEs, and core team members.

Nobody is as committed to or involved with a project as much as the project manager. However, a project manager must remember that negotiations will be smoother if she realizes that everyone she negotiates with has their own set of issues and goals.

Many of the project management tools discussed thus far in this book, such as charters, stakeholder analysis, communication plans, schedules, budgets, and change control, make negotiations easier. Several of the soft skills discussed in this book, such as involving your team in planning, treating everyone with respect, keeping communications open, and establishing trust, also simplify negotiations. The issues project managers need to negotiate can greatly vary in size and complexity. For example, many small issues can involve day-to-day scheduling issues. On the other hand, the entire set of project deliverables with accompanying schedule and budget are often negotiated.

Regardless of the negotiation size or complexity, the six-step process shown in Exhibit 5.14 can serve as a guide.

The negotiation process is based on the project manager and the other party attempting in good faith to reach a solution that benefits both—in other words, a win-win solution. Project managers need to be vigilant, however, because not everyone they must negotiate with takes that same attitude. Smart project managers recognize that their reputation is based on how they act in all situations. Therefore, even when negotiating against someone who plays hardball, it is still wise to stay ethical and keep emotions in check.

Step 1 involves advance fact-finding to determine what is needed from the negotiation. This may include checking with the sponsor and/or other stakeholders and determining the impact that various settlements may have on the project. It also includes seeking to understand both what the other party is likely to want and how he or she may act during the negotiations.

Step 2 is for the project manager to understand the bottom line. What is the minimum acceptable result? Just as when buying a car, a project manager needs to understand when to walk away. This can vary a great deal depending on how much power each party has. Project

EXHIBIT 5.14

NEGOTIATION PROCESS	
STEP	EXPLANATION
1. Prepare for negotiation	Know what you want and who you will negotiate with.
2. Know your walk-away point	Determine in advance the minimum you need from the negotiation.
3. Clarify both parties' interests	Learn what the other party really wants and share your true interests to determine a common goal.
4. Consider multiple options	Brainstorm multiple approaches—even approaches that only solve part of the issue.
5. Work toward a common goal	Keep the common goal in mind: seek and share information, make concessions, and search for possible settlements.
6. Clarify and confirm agreements	Agree on key points, summarize, and record all agreements.

Source: Adapted from Ramon J. Aldag and Loren W. Kuzuhara, *Mastering Management Skills: A Manager's Toolkit* (Mason, OH: Thomson South-Western, 2005): 129–132; and Timothy T. Baldwin, William H. Bommer, and Robert S. Rubin, *Developing Management Skills: What Great Managers Know and Do* (Boston: McGraw-Hill, 2008): 307–318.

managers need to understand that if they have the power and take advantage of their negotiation partner, that partner may not work with them on a future project. Therefore, the goal is not to always drive the hardest bargain, but to drive a fair bargain. It is worth mentioning that if one party has more power than the other party, even if it is only a perception, negotiation may not be the right option until the inequality issue is addressed.

Step 3 is for the project manager to understand the underlying needs of the other party and to share his or her own needs. This is not a 10-second political sound bite that says, “Take it or leave it.” This is developing a real understanding of each other’s needs.

Step 4 is to create multiple options. This is easy once both parties understand what the other party really needs because various creative solutions can then be developed that help to satisfy those underlying needs.

Step 5 consists of the process and strategies of the negotiation itself. It is helpful to keep in mind the ultimate goal while focusing on the many details of information sharing, trading of concessions, and exploring possible solutions.

Step 6 is actually a reminder to reach an agreement and then to document that agreement. A consultant friend of mine often says: we have reached a violent agreement” when people essentially have agreed, but keep talking. Clarify and document your agreement.

5-6 Communication Needs of Global and Virtual Teams

As organizations change more rapidly, more projects are conducted with member from various parts of the larger organization, various organizations, and even various parts of the world. These teams draw from a wider pool of talent, but can pose added challenges.

5-6a Virtual Teams

In contemporary project management, project managers use less-onerous command and control than they might have a few years ago. This trend is even more pronounced with global and virtual teams. A **virtual team** is also sometimes known as a distributed team. They rarely meet in person, but rely on communications technology. When project teams operate in a virtual mode, many of the following characteristics are present:

- Team members are physically dispersed.
- Time boundaries are crossed.
- Communication technologies are used.
- Cultural, organizational, age, gender, and functional diversity are present.¹⁰

5-6b Cultural Differences

Cultural patterns differ in various parts of the world, so project team members need to be more sensitive as to how their actions are interpreted. For example, in some cultures, making eye contact signifies that you are paying close attention. In other parts of the world, however, eye contact is considered rude; in these cultures, people may look slightly downward in deference to authority. When people do not have face-to-face contact, they do not have the opportunity to see and learn from a person’s body language. Project managers working with global and virtual project teams need to be especially mindful of the increased need for communications using methods other than face to face. Reading comprehension and listening skills are valuable for virtual teams.

Cultural differences make communication challenges more difficult. The various methods regarding charter development described in Chapter 4, along with stakeholder analysis and communications planning in this chapter, are even more critical on virtual and global

EXHIBIT 5.15

INCREASED CHALLENGES FOR VIRTUAL AND GLOBAL PROJECT TEAM	
PROJECT MANAGEMENT NEED	INCREASED CHALLENGES
1. Initiate project	1. More unique project needs
2. Understand stakeholders	2. More difficult to understand
3. Build relationships	3. Needs more time
4. Determine communications needs and methods	4. More unique needs, more reliance on electronic means
5. Establish change control	5. More facilitating than directing
6. Manage the meeting process	6. Less nonverbal clues, interest may wander
7. Control issues	7. With less group interaction, harder to identify

teams partially due to cultural differences. The more unusual a team is, the more critical charters and communications vehicles become. Exhibit 5.15 lists some of the extra communications challenges posed by virtual and global project teams. Note that each project management need has a specific and increased challenge—for example, the third need, relationship building, needs more time since people do not have the advantage of full face-to-face communication. Project managers and teams can enhance stakeholder satisfaction by learning the cultural ethics and values of all their stakeholders, working hard to establish trust, and ensuring that they use fast and reliable information systems.

5-6c Countries and Project Communication Preferences

It is helpful if the project team members can meet each other face to face, even one time. While this can be expensive, it may be much less expensive than poor performance on the project. Sometimes, the core project team is assembled to write and approve the project charter. The core team members then get to know each other and are inclined to give each other the benefit of doubt in case of any misunderstandings. Another method that is frequently used is to confirm meetings and calls with quick meeting minutes or e-mail follow-ups. By documenting any decisions, it is easier to remember what happened and to uncover lessons learned when the project is complete.

While abundant differences exist among people from various countries, the method and timing of project communications are of interest here. For example, Ralf Mueller and J. Rodney Turner studied how cultural differences impact preferred modes of project management communication.¹¹ They examined how collectivism versus individualism, along with the extent individuals in various cultures accept unequal power and ambiguity, impact project communications preferences. The results show that country preferences can be shown in four categories with common preferences on frequency and type of communications for each group.

PMP/CAPM Study Ideas

While PMI absolutely recognizes the importance of the “soft skills” regarding management and communication, you shouldn’t expect to see many—if any—questions directly from the lists in this chapter. Rather, you will be expected to understand the best practices we describe and to apply them to mock situations. One type of question you will see in many guises has to do with change requests. Whether a customer, sponsor, or team member requests a change, if you have already completed your project management plan, *any change must go through a change request process*. In other words, it may be your natural instinct to want to

please the person making the request—especially if the change seems small—but the best practice/correct answer will always be to go through the change control process (more information on this is provided in Chapters 7 and 14).

Other test questions you may see from this chapter include the stages of team development—forming, storming, norming, performing, and adjourning—and both capturing and utilizing lessons learned.

Summary

While the project core team is ideally assembled early in the project to participate in chartering and planning the project, SMEs are commonly assigned as needed. Project managers try to secure the services of these important people as early in the project as possible. This often involves negotiating with the functional managers to whom the SMEs report. When new project team members arrive, they need to be on-boarded; that is, they need to understand the project and start to develop working relationships with their new team members. Experienced project managers ensure that the new members understand project goals but also share their personal goals so that both can simultaneously be achieved.

Teams progress through typical stages of development. High-performing project teams share a number of characteristics. Project managers can use understanding of these stages and characteristics to guide their team to better performance. They do this by assessing individual and team capabilities and developing strategies to improve both. The project team often develops team operating principles in the charter. Many teams expand

upon these with more specific team ground rules. The ground rules are tailored to the unique needs of the project situation, but generally include both rules for improving relationships among team members as well as improving the process of how the team works.

The project manager must manage the human side of his project. This involves utilizing appropriate forms of power in managing the project team to obtain desired results. Project teams also need to manage and control stakeholder engagements through understanding their expectations, delivering on those expectations, and communicating effectively. Projects are ripe for many kinds of conflict. Constructive conflict over ideas often yields better approaches, but destructive conflict that gets personal needs to be headed off when possible and dealt with when it occurs. Many good project management practices and techniques are helpful in channeling conflict in constructive directions. Project managers also need to utilize many general conflict reduction techniques not only within the project team, but also with and between various stakeholders.

Key Terms Consistent with PMI Standards and Guides

management, 138
 leadership, 138
 acquire project team, 138
 develop project team, 141

manage project team, 157
 negotiation, 164
 virtual teams, 166

Chapter Review Questions

1. What is the potential downside to bringing in project workers too early in the project?
2. Why is it often necessary for project managers to persuade workers to be part of the project team?
3. When is the best time to on-board core team members?
4. What are the five stages of team development?
5. During which stage do team members often feel close to one another and have a good understanding of how to work together?
6. List two *personal values of individual team members* that contribute to a high-performing team. List two *team behaviors* that can enhance these personal values.
7. What are the two favorable outcomes of fostering a high-performing project team?
8. During all five stages of team development, is it important that the project manager keep in mind the needs of which three groups?

9. Why might it be helpful to bring out the charter when people are arguing over a decision?
10. What is meant by the term *ground rules*? Give examples.
11. Under which circumstances might a project manager or sponsor retain the right to make a project decision?
12. What are the benefits of delegating a decision to one or two team members?
13. When might consensus be the best decision-making strategy?
14. _____ power is the ability to persuade others based upon the project manager's personal knowledge and skills.
15. _____ power should be used by a project manager when she is asking her team members to perform a task within their job description.
16. _____ power should only be used in instances in which it is necessary to maintain discipline.
17. In order to manage stakeholders' expectations, a project manager needs to understand the stakeholders' assumptions. Which document(s) can help with this?
18. The collaborative style for handling conflict has a(n) _____ concern for self and a(n) _____ concern for others.
19. Why is it important for project managers to have one-on-one discussions with their core team members?
20. What is a virtual team?
21. Name three increased challenges for a global and/or virtual team.
22. Why is it helpful for a virtual team to meet in person at least once?

Discussion Questions

1. You are a project manager leading an IT development project. Halfway through your project, you realize you need to hire an additional worker in order to complete the project on time. How will you convince your project sponsors to authorize the hire? How will you on-board your new worker?
2. Describe how to use project documents to help a team progress through the stages of development.
3. How can a project manager promote the needs of the organization during the norming phase?
4. How can a project manager promote the team members' needs during the forming stage?
5. Describe in your own words what a high-performing project team can do.
6. Describe, in your own words, what you believe are the four most important characteristics of high-performing project teams. Tell why you believe each is so critical, explain how they are related to each other, and give at least two specific suggestions for each.
7. Assess your individual capability for project teamwork. Tell why you feel you are strong in certain capabilities, and give strategies for improving in areas you feel you need to develop.
8. What is meant by the term *situational leadership*? How can you apply this as a project manager?
9. Describe the three responsibilities of project team members.
10. Pick the four ground rule topics for project teams that you believe are the most important. Tell why you believe each is so critical, explain how they are related to each other, and give at least two specific suggestions for each.
11. Using examples, describe how a project manager can use active listening. Why is this useful?
12. Describe each method of decision making a project team may use. Using examples, tell when each is most appropriate.
13. In your opinion, why is it necessary for the project manager to assess the performance of both individual team members and the project team as a whole?
14. List several characteristics of a project that can often result in creating conflict.
15. Give an example of when a conflict would be beneficial to a project and an example of when conflict would be harmful to a project.
16. You are working for a multinational organization and need to relay information to Japan. Which communication method would you choose to use and why?
17. Give as many examples of cultural differences as you can, using information from this text and your own experiences.

PMBOK® Guide Questions

1. _____ is the process of “confirming human resource availability and obtaining the team necessary to complete project activities.”
 - a. Plan Human Resource Management
 - b. Acquire Project Team
 - c. Develop Project Team
 - d. Manage Project Team
2. All of these are stages of team development *except*:
 - a. adjourning
 - b. storming
 - c. learning
 - d. performing
3. _____ establish(es) clear expectations regarding acceptable behavior by project team members, and may cover topics such as protecting confidentiality, establishing trust, and handling conflict.
 - a. The employee handbook
 - b. Ground rules
 - c. Management by objectives
 - d. Personnel directives
4. The objective of the _____ process is to improve competencies, team member interaction, and overall team environment to enhance project performance.
 - a. Plan Human Resource Management
 - b. Acquire Project Team
 - c. Develop Project Team
 - d. Manage Project Team
5. All of these are techniques for managing project conflicts *except*:
 - a. smooth/accommodate
 - b. withdraw/avoid
 - c. collaborate/problem solve
 - d. none of the above
6. A document used to manage points of discussion or dispute that arise during projects, in order to monitor them and ensure that they are eventually resolved and added to lessons learned, is called a(n) _____.
 - a. risk register
 - b. stakeholder register
 - c. SWOT analysis
 - d. issue log
7. Which of these is *not* a challenge of working on global and virtual teams?
 - a. competencies
 - b. language
 - c. time zones
 - d. culture
8. An output of the process Develop Project Team, an evaluation of the team’s success in achieving project objectives for schedule, budget and quality levels, is called team _____.
 - a. project performance review
 - b. performance assessments
 - c. annual review
 - d. work performance reporting
9. Which of the following steps is *not* part of the six-step project conflict-resolution process?
 - a. Identify causes of conflict
 - b. Identify potential solutions
 - c. Determine which teammate was in the wrong
 - d. Understand the conflict
10. The sources of most project conflicts can be grouped into those related to _____ and those related to _____.
 - a. relationships; tasks
 - b. technical skills; budget
 - c. personalities; deadlines
 - d. schedule; risks

INTEGRATED EXAMPLE PROJECTS

SUBURBAN HOMES CONSTRUCTION PROJECT

Suburban Homes, a medium-sized, fast-growing construction company, has an ambitious plan to expand its business to several southern states in the United States as a result of its significant growth and good reputation for building quality single-family homes and townhomes.

As a project manager, Adam Smith worked for several years in the construction industry and supplemented his experience with project management education. From his initial realization that managing projects successfully requires implementation of various project management processes,

tools, and techniques, Adam recognized the importance of building project teams composed of well-trained staff. From his experience managing a few projects in the Midwest and based on the lessons learned from these projects, it was evident to Adam that Suburban Homes did not place a strong emphasis on people-related factors and team development. Adam recognized the scope for improvement in managing and developing high-performance teams and decided to act on this knowledge immediately.

Adam's primary task was to improve the performance of project management and increase the project success rate, so he wanted to address project team selection and the team development processes. Further, he realized that employee turnover and the expansion of the business in southern states led Suburban Homes to recruit more employees. Many of these new recruits have prior experience in the construction industry. In addition, the workforce now represents different work cultures, attitudes, commitment, and work ethics.

Adam recognized the immediate need to manage human resources effectively and efficiently. He decided to formalize

project team selection, development, and management so that all the locations in the Midwest and South will have similar team management philosophy and practices. To achieve these purposes, Adam has considered the following:

1. Train project managers as leaders. Also, project managers must be trained to identify talent, select project team members, and nurture their growth.
2. Develop a team charter so that all the team members are aware of performance expectations, professional behavior, and other team norms. The charter should also help in training newly recruited employees to improve productivity, collaboration, coordination, communications, and conflict resolution.
3. Develop a conflict management plan and prepare guidelines for all employees to identify and manage conflicts.
4. Design and implement a decision-making protocol for all the projects and in all locations.
5. Develop norms for high-performing teams.

You are hired as a consultant to develop the above five deliverables.

CASA DE PAZ DEVELOPMENT PROJECT

Questions for students to answer:

1. What actions do you suggest to help the project team through the stages of team development?
2. What would you want to see in a team charter for this development project?
3. Construct a RACI chart with major tasks you see and the type of person you feel should do each.
4. List types of decisions that will need to be made and the appropriate person, group, or method for each, for example, individual team member, team collectively, scrum master, and product owner.

Semester Project Instructions

Assess your project team's capability. Develop a strategy to improve your team's capability. Develop ground rules to use on your project.

As a team, audit one of the other project teams in your class and have them audit your team. Develop an improvement strategy for that team based on the audit results.

Brainstorm situations for your project for which each source of power makes sense.

Identify what you have done to manage and control stakeholder engagement and how you know the current level of satisfaction that your stakeholders feel. Identify issues you may need to negotiate and determine the style you will use to handle the conflict and your expectations at each step of the negotiation process.

PROJECT MANAGEMENT *IN ACTION*

Centralizing Planning and Control in a Large Company after Many Acquisitions

The restaurant chain where I work was founded over 50 years ago. Through internal growth and external acquisitions, this company has become a Fortune 500 company. The company recently decided to centralize merchandizing, retail operations control, advertising, and sales planning for the enterprise.

Human resources (HR) and other support organizations needed to improve their performance to support this massive change. Cycle times were too long, service quality was too low, and internal customers frequently complained about corporate functions. HR started its transformation by creating a process improvement team to lead toward a process-driven structure with work drivers identified to establish staffing levels. A new HR vice president had a vision for the operation, and her leadership was critical to make anything happen.

Up to this point, process engineering had only been applied to manufacturing and distribution operations. The culture for process engineering, project management, and change management was generally immature in the company. This was declared to be the biggest change to our HR function in 35 years. A vice president was assigned to make the HR transition happen.

The project manager assigned to this project immediately interviewed the various management members of the HR organization and the retail operations transition team. He created a project charter to define the scope, objectives, problem statement, outcomes expected, benefits, team members, and inputs for this project. This project manager interviewed all senior staff members for their insights.

A communications plan was drafted because this change directly touched several hundred persons and indirectly many tens of thousands. The company is a very large distributed organization with many global operations. Therefore, a great deal of collaboration was required to create the buy-in needed. A conference was held for all HR leaders to begin developing this needed buy-in.

In preparation for the conference, the project manager created the following high-level WBS:

1. Planning the HR Transformation
2. Initiating the Project
3. Planning the Workshops
4. Stakeholder Analysis
5. Communications Plan
6. Planning the Project
7. Executing the Plan
8. Holding the Workshops
9. Identifying Opportunities for Improvements
10. Obtaining the VOC (Voice of Customer)
11. Creating the Foundational Communications
12. Initial Launch
13. Executing the Implementation Plan
14. Sustaining the Transformation

A schedule was created that reflected all the WBS elements needed to perform this massive organizational change initiative, driven by process analysis and by meeting all the relevant PMI PMBOK® guidelines for project management good practices. This project schedule covered the elements of a plan to gather Voice of the Customer information and perform workshops for the identified Centers of Excellence:

1. The business processing center
2. Total reward systems
3. Administration systems
4. Workforce planning systems
5. Talent management systems
6. Systems and data management
7. Training and development

The project schedule included all the communications needed to create synergy toward an agreed-upon solution. At the end of the first conference, we had a core team meeting of five leaders. The job of the core team was to define a vision for the organization, a mission statement for the operation, and an elevator speech that defined the project's objectives and could be repeated in less than 45 seconds

to a novice on the topic. This team's efforts gave us great clarity regarding what we were trying to accomplish.

Next, we brought in over 100 HR professionals from around the company for a series of workshops. An agenda and handouts were created to drive the workshops. During the workshops, artifacts were created to define the "as is" and "to be" process states. These models were built in Supplier, Input, Process, Output, Customer (SIPOC), and organization deployment process maps. In addition, we created organization structures to support the future-state process maps. Once we designed structures, we built job description documents and measurement plans for the new and old processes. The processes modeled impacted all HR operations. We needed to know where the work would be accomplished. We started the detailed organization chart reviews. We needed to know where the work was done, and by how many persons, today. Then we could start to estimate how many resources might be needed in a future state by location and by element of work.

We evolved a framework of principles to drive the project forward, which included:

- Streamline every process using the lean Six Sigma tools.
- Focus on quality, speed, and cost while delivering improved value.
- Take transactions out to a service center where a lower cost is achieved.
- Drive all outside agreements toward negotiated service level agreements.
- Consider multiple alternatives for the sourcing of needed services.
- Improve the client-facing organization.
- Build Centers of Excellence that deliver improved value.
- Push employee support closer to them while leveraging consolidated service center capabilities.

Monthly HR leader conference calls, weekly status reports, preliminary design sessions, corporate staff

design sessions, and follow-up conferences for leaders were all part of the high-touch, high-communications approach to this project. We expect the many automation initiatives, headcount reductions, vendor outsourcing efforts, and in-sourcing of transactions to a wholly owned service center to deliver millions of dollars of cost reductions across the company. We promoted lean and improvement ideas continually to the leadership. We have collected field-based best practices and have moved into a phase to validate these practices. Once validated, these best practices will be rolled out to all operations. We communicate by posting everything to a SharePoint site for all to see. We also use e-mail communications and have many one-on-one telephone calls.

We are now presenting the new design for implementation and are getting buy-in. We continue to involve others and to learn what will meet their needs—and so far we are spot on with high acceptance. At one time, we thought all regions were different, and they are, but their processes and structures are nearly 80 percent the same. We have reached agreement that one common process is acceptable to all regions asked. This is a major breakthrough. We also have had concessions from labor relations regarding its role and from those regions that were already down the road on a couple key position implementations.

The team concepts that were applicable to this project were as follows:

- Recognize the Forming, Storming, Norming, and Performing stages.
- Create a strong vision to rally the team.
- Ask the customers of the process for requirements.
- Have consistent sponsorship of the project.
- Respect, empower, and engage everyone in a change initiative.
- Respect differences and leverage the value of diversity.
- You cannot overcommunicate—so communicate.
- Make everything an open book.

Source: William Charles (Charlie) Slaven, PMP.

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CHAPTER 6

Stakeholder Analysis and Communication Planning

CHAPTER OBJECTIVES

After completing this chapter, you should be able to:

CORE OBJECTIVES:

- Enumerate, describe, and prioritize each set of stakeholders for a project.
- List each section of a project communications plan and describe the role each plays.
- Build a communications matrix for a real project.
- Develop strategies for stakeholder management.

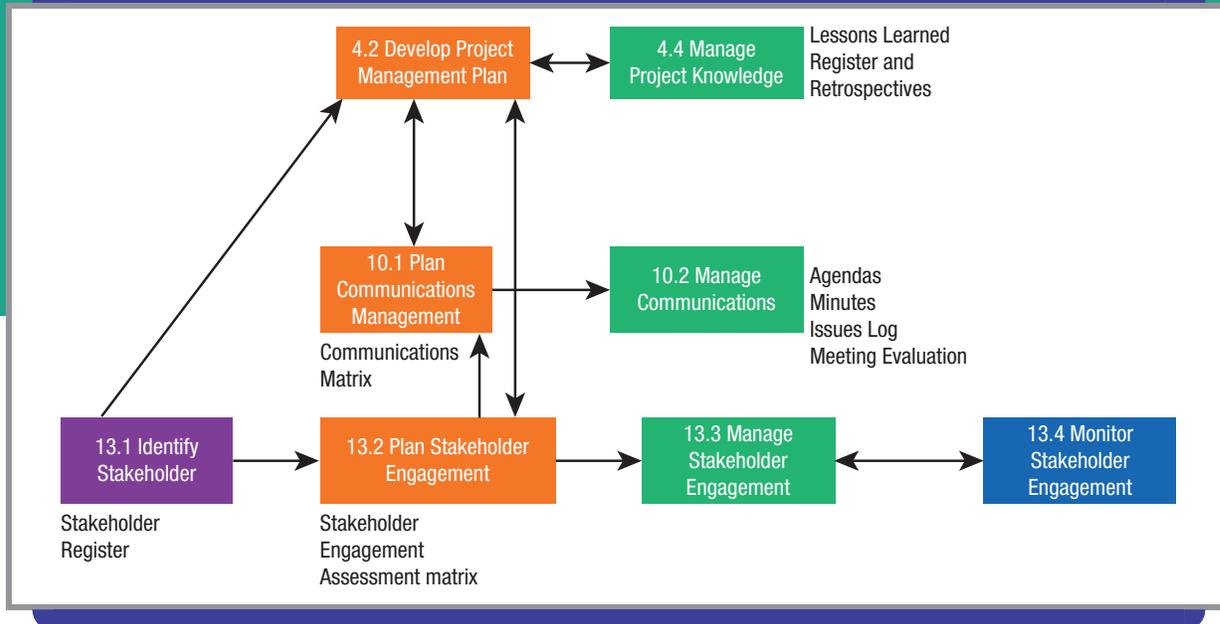
BEHAVIORAL OBJECTIVES:

- Tell how to build project relationships and why they are important for communications.
- Develop a project communications management plan for a real project.
- Plan, conduct, and improve project meetings.



Humans are social animals who engage with each other in complex ways, especially in artificial environments such as organizations and projects. Inexperienced project managers can become buried in the control of the project plan's tactical aspects and miss the more strategic components like stakeholder engagement and effective communication. Ultimately, successful delivery of a project is about *both* managing the tangible outputs (which are generally easily and objectively measured (time, cost, and project deliverables) *and* leading others through the more strategic and intangible outcomes (relations, power, influence, motivation, interests, etc.). Traditionally, measures of success focus on scope, time, cost, and quality to determine the success of the project as an entity. However, a more accurate measure of success also considers the longer-term outcomes delivered by what your project stimulated to happen after it was complete.

For example, the Sydney Opera House was a disaster as a project, but it made highly significant contributions to the culture, identity, meaning, and belonging of the Australian nation well beyond being a failed project, and there are many other examples like this in human history. Equally, there are project successes that



PMBOK® GUIDE

Topics:

- Identify stakeholders
- Plan stakeholder engagement
- Manage stakeholder engagement
- Monitor stakeholder engagement
- Plan communications management
- Manage communications

CHAPTER OUTPUTS

- Stakeholder register
- Stakeholder engagement assessment matrix
- Strategies for managing different stakeholders
- Communications matrix
- Meeting agenda
- Meeting minutes
- Issues log
- Meeting evaluation

only make negative contributions to society. This is because your stakeholders have varying perceptions of the worth of the project.

Stakeholders and your communications with them are highly subjective aspects of projects and more difficult to manage than some of the hard skills discussed in earlier chapters. As such, these aspects are often not managed with anywhere near the time and thought investment of the tangible aspects of a project. And while not every project manager (PM) needs to be a skilled wordsmith or a psychologist (though these would, in fact, be very useful skills for a PM to have), the *PMBOK*® is now starting to build more content around these aspects of leading and managing projects, and there is increasing literature acknowledging the importance of the “soft skills” required to be a successful project manager. Capable project managers invest effort to create and maintain informed stakeholder engagement matrices and insightful communications plans. They know whom to engage at what stage of the project (including critical stakeholders *before* the project starts, at times), at what frequency, and through what medium to secure optimal results. They then implement this plan and adjust as circumstances change. In essence, this is the art of project management.

One effective and fun way a PM can accelerate the development of their stakeholder engagement and communication skills is to use metaphor reflections developed by Arthur Shelley. This approach uses animals to represent behaviors and stimulate constructive conversations about interactions between people. The Organizational Zoo describes a set of 27 characters that collectively represent the most common behaviors in the Zoo (that is, your team, project, organization, or community). They are easy to remember (one for each letter of the alphabet, plus one “double”), and the cartoon characters help to make the conversation fun. Team members profile themselves and their stakeholders in order to understand what they are like and how they should engage with them. Because we all have considerable prior knowledge of animals, understanding is intuitive, and the tool makes it easy to quickly assess our behavioral environments. It is clear a



mouse does not approach a lion in the same way it would approach a dog, and a lion leader is different from an eagle.

In projects, the use of creative tools such as metaphor and reflective conversations is becoming more common and makes a significant contribution to success and the learning experiences of those involved. The free online profiler can be used for project team activities and to discover more about your own inner animals.

www.organizationalzoo.com/profiler
 Copyright Arthur Shelley, 2013
 Image artist John Szabo

6-1 Identify Stakeholders

Projects are undertaken because someone needs the project's output. A project must satisfy its users and their needs to be successful. Several things can complicate this goal. First, there may be multiple users, and each may have different wants and needs. Second, often end-users may not fully understand what they want because they do not know what alternatives may be available. Third, the customer who pays for the project may not be the actual person or group who uses the project deliverable or outcome, and the customer may not fully understand the end-users' needs. Fourth, when someone else is

paying for the project, some users will ask for many project outcomes that are expensive or time consuming to deliver. Finally, many stakeholders, in addition to the users of a project's outcomes, have an interest in the project. Project managers need to first understand their stakeholders, build relationships with them, and then develop a communications management plan for managing them.

6-1a Find Stakeholders

One way to understand who stakeholders are is to ask, "Who will use, will be affected by, or could impact this project?" The answer includes users of the project results and others who may have some changes forced upon them by the project outcomes. It also includes people and groups who might choose to influence the project in some way. We use the **identify stakeholders** process to determine the people, and groups, who might impact or be impacted by some aspect of our project. Stakeholders include people who:

- Work on the project
- Provide people or resources for the project
- Have their routines disrupted by the project
- Monitor regulations, laws, and standards of practice at local, county, state, and federal levels

Another way to identify stakeholders is to determine whether they are internal to the organization performing the project or external to it. Examples of project stakeholders based on these categories are shown in Exhibit 6.1. Note that there are potentially more types of stakeholders affected by the process of performing the project than by the project results and more external than internal stakeholders.

Project managers and project core teams (often in consultation with the project sponsor) can use the examples in Exhibit 6.1 to find possible project stakeholders. This can be done using a brainstorming technique. Classic rules of brainstorming apply—initially, the emphasis is on generating a long list of potential stakeholders in the first column of a

EXHIBIT 6.1

EXAMPLES OF PROJECT STAKEHOLDERS		
	INTERNAL	EXTERNAL
Affected by Project Process	Owner Sponsor Project Manager Functional Managers Competing Projects Financing Source Project Core Team Subject Matter Experts Employees Stockholders	Suppliers Partners Creditors Government Agencies Special Interest Groups Neighbors Client Professional Groups Media Taxpayers Union Competitors
Affected by Project Result	Internal Customer Sponsor Users	Client Public Special Interest Groups

chart without evaluating and analyzing them. It may be easy to construct this chart on a large work surface such as a whiteboard or flip chart. Another suggestion is to be specific; identify stakeholders by name when possible.

For each potential stakeholder, list the various project processes and results in which he or she might have an interest. Consider financial, legal, and emotional interests of potential stakeholders. The project charter can be useful here. Many stakeholders have an interest in multiple aspects of a project. Once the stakeholders and their interests have been listed, they may be combined into like groups with the same interests.

6-1b Analyze Stakeholders

Stakeholder analysis is a stakeholder identification technique composed of gathering and evaluating information to determine whose interests should be emphasized throughout the project. The first part of stakeholder analysis is to prioritize the stakeholders. Prioritization is important because on many projects, there are too many stakeholders to spend a great deal of time with each. While it is important not to ignore any stakeholder, it also makes sense to concentrate on those who are most vital. Stakeholders are frequently prioritized based upon level of:

1. Power—ability to get others to do something
2. Legitimacy—perception that their actions are appropriate
3. Urgency—time sensitivity and legitimacy of claim¹

Some organizations use additional criteria such as interest, influence, and impact. Some organizations only use two or three criteria; others may use up to six. Each aspect used can be rated on a simple scale of 1 to 3, with 3 representing the highest priority. For the first aspect, *power*, a stakeholder who could order the project shut down or changed in a major way would be a 3, and a stakeholder who could not change the project much would be a 1. The other aspects can be analyzed in a similar fashion. The scores from the aspects are added to form a total prioritization score.

We will use an example of an African university that changed its entire curriculum to a modular approach—a major change project. This large university was in danger of closure because of failed quality ratings and public criticism of its performance. Major improvements were required. The newly appointed vice chancellor decided to modularize all the courses offered by the university, which allowed the students to “pick and mix” topics and create courses that better suited their needs. This change impacted every part of the university, and it was not a popular decision. The appropriate engagement of stakeholders was crucial. One of the major challenges to the modularization program was the shift in power base from academic management (the deans of faculty) to the academic registry. In Exhibit 6.2, you can see that the academic registrar scores highly in every line. This shift in power was always going to meet resistance, and the program manager would need to carefully consider the positions of the three key stakeholder groups to find an appropriate strategy.

By determining who the stakeholders are and what each group wants, project managers effectively:

- Set clear direction for further project planning, negotiating, and execution
- Prioritize among competing objectives
- Learn to recognize complex trade-offs and the consequences of each
- Make and facilitate necessary decisions
- Develop a shared sense of risk
- Build a strong relationship with their customers

EXHIBIT 6.2

MODULAR COURSES: STAKEHOLDER IDENTIFICATION AND PRIORITIZATION MATRIX						
	VICE CHANCELLOR	DEANS OF FACULTY (*)	ACADEMIC REGISTRAR:	LECTURERS: (*)	STUDENT SUPPORT	STUDENTS
What Is Important to This Stakeholder						
Power	3	3	3	2	1	1
Interest	3	1	2	1	2	2
Influence	1	3	2	2	1	1
Impact	3	2	3	1	1	1
Urgency	2	1	2	1	1	1
Legitimacy	2	1	3	3	1	3
Total:	14	11	15	9	7	6
Priority (Key or Other):	Key	Key	Key	Secondary	Other	Other

(*) Lecturers and the deans are unlikely to be homogeneous in their views—more information is needed to identify groupings and interest areas. For this case, we have kept it simple. Source: Louise Worsley.

- Lead associates, customers, and suppliers with empowering style and principles
- Serve as good stewards of the resources of both the parent and customer organizations

The project team should next select the top 10 to 15 stakeholders for emphasis in the remainder of their planning. The stakeholders with the highest total scores are often considered to be key influencers for the project. The project manager and the core team should also plan to periodically review this prioritized list of stakeholders, as the relative importance may change as the project progresses, especially if the project goals are not clear at the outset. While from a practical standpoint, project managers need to be especially attentive to the top stakeholders, the enlightened “management for stakeholders” approach also encourages project managers to ensure that interests of all the stakeholders, including less powerful ones, are considered.² This approach of giving preference to the most important stakeholders while recognizing needs of all stakeholders requires judgment, and the advice of the sponsor is often helpful.

One additional consideration is that various stakeholders often have competing interests. For example, the client may want the work done quickly, while the accountant is worried about cash flow. Exhibit 6.3 itemizes how different types of stakeholders frequently define project success. Another consideration is that each project was selected to support a specific business purpose and that purpose should help determine the relative importance of various stakeholders.

It is not necessary that all stakeholders favor the project. Competitors in the business, public interest groups, voluntary organizations that promote environmental sustainability and, occasionally, a segment of end-users may oppose the project and its execution. The project manager must identify them and monitor their actions closely.

EXHIBIT 6.3

SUCCESS CRITERIA FOR VARIOUS STAKEHOLDERS

STAKEHOLDER/ SUCCESS CRITERIA	ON TIME	ON BUDGET	MEET REQUIREMENTS	PART- NER SHIP	PROFIT REALIZED	FOLLOW- ON WORK	MINIMAL OVERTIME	RECOGNITION	CHALLENGE	WELL- PAID	QUALITY
Customer	X	X	X	X							X
End-user	X		X	X			X				X
Customer management	X	X	X	X			X	X			X
Project manager	X	X	X	X	X	X	X	X		X	X
Contractor management	X	X	X	X	X	X	X				X
Project team member	X		X	X		X	X	X	X	X	X
Subcontractor	X	X		X	X	X	X			X	X

Source: Adapted from Ralph R. Young, Steven M. Brady, and Dennis C. Nagle, Jr., *How to Save a Failing Project: Chaos to Control* (Vienna, VA: Management Concepts, 2009): 14. © 2009 by Management Concepts, Inc. All rights reserved, www.managementconcepts.com/pubs.

If the project team developed the stakeholder identification and prioritization matrix without their sponsor, now would be a good time to share it with the sponsor and ask for feedback. Chances are good the sponsor will want to make some adjustments before the team continues with the stakeholder management plan. Sponsors are especially useful in helping to sort out conflicting priorities. Typically, when a conflict exists, external paying customers and top management are considered to be highly important stakeholders. The project team primarily considers these top stakeholders while they:

- Develop a communications plan (later in this chapter)
- Define the scope of the project (see Chapter 7)
- Identify threats and opportunities (see Chapter 11)
- Determine quality standards (see Chapter 12)
- Prioritize among cost, schedule, scope, and quality objectives (see Chapter 12)

6-1c Document Stakeholders

The primary output of the “identify stakeholders” process is a stakeholder register. The **stakeholder register** is a repository of information regarding all project stakeholders. Teams use it to develop strategies to either capitalize upon stakeholder support or to mitigate the impact of their resistance. The stakeholder register provides input to relationship building with the various stakeholders and helps determine their requirements. In turn, these requirements serve as the basis of developing project scope. The stakeholder register is a living document that changes as needed. A stakeholder register often is in the format of a matrix. In the stakeholder register shown in Exhibit 6.4, we start to evaluate the interests of the different stakeholder groups. Sometimes referred to as the WIIFT

EXHIBIT 6.4

MODULAR COURSES: PROJECT STAKEHOLDER MATRIX			
STAKEHOLDER	INTEREST IN PROJECT	PRIORITY	SUPPORT/MITIGATION STRATEGIES
Vice Chancellor	Make major improvements in university services and avoid government intervention.	Key	Consult on target improvement areas—use his power to support key and difficult changes.
Deans of Faculty	Protect against changes that could influence their power base. Reduce detrimental impact on faculty activities.	Key	Work with nominated representatives to identify and seek out solutions to barriers to change. Establish and communicate wins for faculties.
Academic Registrar (AR)	Develop the power base of AR—demand and obtain quality improvements on courses across the university.	Key	Increase visibility and power of AR. Increased visible support for AR regarding resources and political support from senior management.
Lecturers	Be kept informed of impacts upon them. Reduce or resist changes that are considered negative to them.	Secondary	Identify supportive champions. Create, test, and deliver carefully considered communication strategy.
Student support	Be able to prepare and train staff on how to roll out new schemes to current and prospective students.	Other	Help student support guide staff through process—develop training programs and online web support.
Students	University shows signs of improvement and ensures students’ needs are considered.	Other	Set up consultation and communication groups. Keep informed.

Source: Louise Worsley.



Firma V/Shutterstock.com

(what's-in-it-for-them), this analysis can be used to help identify where there may be common areas of interest between the groups, and note that what made this particular program complex was the absence of common ground. Strategies would need to be sought to change positions or reduce the impact of the behaviors of some of the groups.

6-2 Plan Stakeholder Engagement

Project teams **plan stakeholder engagement** both by creating a tool called a stakeholder engagement assessment matrix and by planning to build relationships with the stakeholders.

6-2a Creating a Stakeholder Engagement Assessment Matrix

Project teams create a **stakeholder engagement plan** to define how they will effectively engage stakeholders in planning and performing the project based on the analysis of the stakeholders' needs, wants, and impacts. A primary tool used in this plan is the **stakeholder engagement assessment matrix**. This matrix typically includes a first column showing the stakeholders. For each stakeholder, additional columns may represent how much they are currently supporting or opposing the project, where you would like them to be, barriers to their changing, and strategies you may employ to move them. Strategies for powerful and supporting stakeholders may include accepting their ideas, compromising, or offering them trade-offs, while strategies for opponents might entail doing the minimum possible or fighting their demands.³ It is not uncommon to think that the best one can do with opposing stakeholders is to help move them to a neutral position, while those who are unaware of or neutral toward the project may be turned into supporters.

EXHIBIT 6.5

MODULAR COURSES—STAKEHOLDER ENGAGEMENT ASSESSMENT MATRIX				
STAKEHOLDER	CURRENT POSITION	TARGET POSITION	BARRIERS TO CHANGE	STRATEGY
Vice Chancellor	Leading	Leading	Competing day-to-day priorities	Ensure engagement is 'efficient' and effective. Consider extending role of deputy Chancellor to cover for some day-to-day activities.
Deans of Faculty	Resistant	Neutral, Supportive, or Leading	Some Deans more powerful than others (relates to student numbers and academic ratings). 'Power owners' are very influential.	Consider each Dean's WIIFT individually. Consider strategies for individuals as well as the group.
Academic Registrar (AR)	Supportive	Leading	Competing day-to-day priorities—lack of leadership skills.	Engage deputy, provide skills and mentorship.
Lecturers	Unaware to neutral	Neutral or supportive	Very large group with veto power through unionized actions.	Involve HR and legal department to evaluate all changes that may impact lecturers. Identify supportive champions and stakeholder groupings for engagement.
Student support	Neutral	Leading	Not considered important by academic staff—services currently limited and not highly rated.	Provide consultancy support to team to redesign and promote new services (including student website).
Students	Unaware	Neutral	Very large group. Student representative council not well resourced or highly valued by students.	Set up consultation and communication groups. Keep informed. Consider use of social media.

Exhibit 6.5 identifies both the current and target positions of the stakeholder groups. The greater the change in position, the greater the risk and the greater the engagement effort required. Student Services had a relatively unimportant position in the old system but would be critical to the new modularized operation. Significant expenditure was anticipated in this area. It is of interest to note that the initial analysis (see Exhibit 6.4) had identified this group as “other stakeholder.” As the nature and impact of changes become clearer, they can alter the relative importance of different groups. Stakeholder positions and stakeholder strategies must be reevaluated throughout the project.

6-2b Planning to Build Relationships with Stakeholders

Project managers and teams seek to develop strong working relationships with important stakeholders. This is an ongoing process throughout the life of the project. In fact, the project manager normally continues to nurture the relationship even after the project is completed to increase the chances of securing future project work and to maintain good will with the external stakeholders. In building relationships both within the project core team and with other stakeholders, project managers need to remember that mutual respect and trust greatly enhance the prospect of project success. Therefore, relationship-building activities that lead to respect and trust should be planned and carried out carefully.



A principal idea in Agile is that relationships with stakeholders need to be based upon collaboration, communication, and trust. Analyzing stakeholder information helps the Agile team understand them better and leads to effective relationship building. It makes more sense for Agile as client interaction is continuous and desirable throughout the project life cycle.

Typically, relationship-building activities are most effective when they are used in the process of planning a project. Project relationship-building activities (described more fully below) that are especially useful include the following:

- Share individual motives.
- Encourage open communication.
- Jointly establish agenda.
- Use shared learning.
- Regularly celebrate success.
- Share enjoyment of project.
- Use appropriate decision-making and problem solving.⁴

Establishing a positive relationship early with all key stakeholders is vital for two reasons. First, it helps create a desire on the part of stakeholders to give positive support to the project—or at least refrain from disrupting the project. This early building of a coalition of supporters and engagement of opposition can help to positively shape the social and political context of the project and lead to success.⁵ Second, it serves as the communications foundation for the project. The remainder of the project planning and execution are greatly enhanced by effective communication channels with key project stakeholders.

The sponsor, project manager, and core team can establish powerful and meaningful relationships with key stakeholders by delivering on all promises, always providing fair treatment, creating a sense of pride by association, and even helping the stakeholder develop a passion for the project.⁶ This starts by learning what motivates each stakeholder. The old saying “What is in it for me?” describes what each stakeholder wants, and that is what the project team needs to understand. Stakeholders who feel threatened can disrupt a project during its process and are less likely to perceive that they receive project benefits in the end. Unhappy stakeholders are a sign of project failure. On the other hand, stakeholders can be treated as partners right from the start of planning by speaking their language and providing them opportunities to participate. Here are some things that customers (one of the primary stakeholders) value most from a contractor who is performing the project:

- A sincere invitation to early and continued involvement
- Responsiveness
- Transparency
- Reliability⁷

These stakeholders are more likely to take ownership in the project by educating the project team about their needs and making timely project decisions. Consequently, stakeholders are more likely to feel that their expectations are in line with the project team’s plans. They are more likely to go beyond merely inspecting results and writing checks. Further, they may participate early and often when their input is meaningful and they feel that the project is successful. The important thing for project managers to remember is that developing respect and trust among all project stakeholders is a goal that must be

started early and continued throughout the project. Stakeholder relations and engagement are just as critical to project success as the more technical planning and should demand equal attention from project managers.

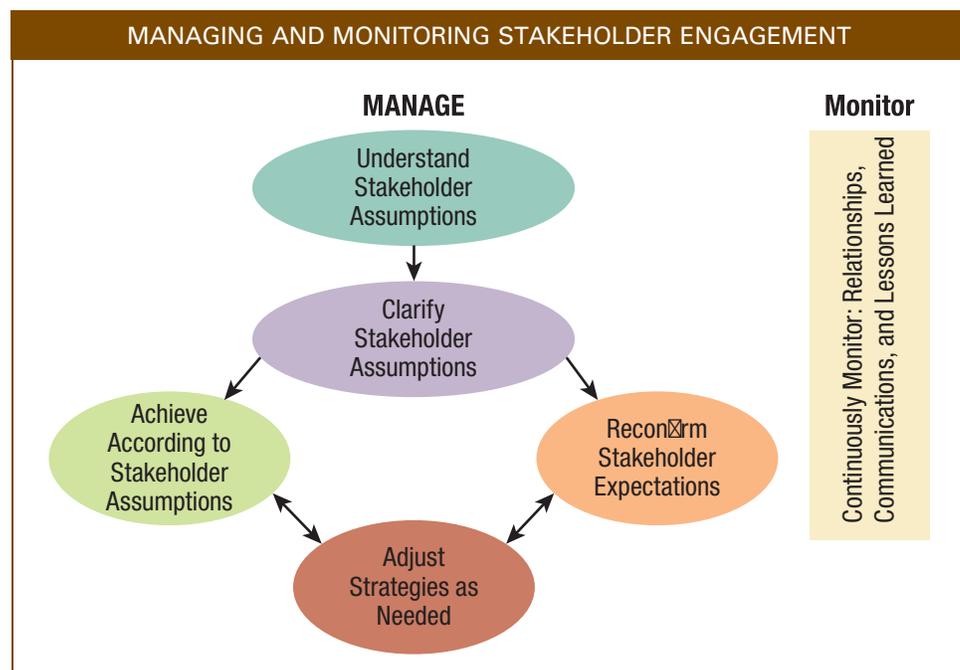
6-3 Manage Stakeholder Engagement

Manage stakeholder engagement is a process of the project team communicating and working with stakeholders to satisfy their needs (and additional desires, when possible), handle issues quickly, and encourage active stakeholder participation throughout. This process can be visualized as shown in Exhibit 6.6, with managing on the left and monitoring on the right.

The first part of managing stakeholder engagement—understanding stakeholder assumptions—was performed while creating the charter (Chapter 3), along with the stakeholder register and stakeholder engagement assessment matrix discussed earlier in this chapter. The requirements matrix, which will be developed in the following chapter, is also helpful in understanding stakeholder assumptions. Different stakeholders may hold very different assumptions concerning the project at the outset, and these assumptions form the basis of their expectations. Therefore, the project manager clarifies the assumptions, challenges and negotiates some of them, and uses them in project planning.

These clarified assumptions are then stated as expectations regarding project deliverables, features of the product, timelines, costs, quality measures, and generally how the project manager and team will act. Next, the stakeholders have a chance to agree or challenge the expectations before committing to them. The expectations are then documented.

EXHIBIT 6.6



During project execution, the team works toward satisfying these expectations. This involves work between project meetings to complete assigned activities and to quickly resolve problems that have surfaced. Concurrent with the achievement of expectations is the continual recommitment to the expectations. One method that project teams can use to reconfirm expectations is to share planning documents, such as schedules, with stakeholders. The team informs the stakeholders that all the planning documents reflect the team's understanding of what has been asked to do. It is what the team is expected to achieve and be judged against.

Some stakeholders may identify further expectations when they see everything spelled out. Project managers often hold informal conversations with various stakeholders to ensure that they fully understand and agree with all of the planning details. Finally, as project teams report progress to stakeholders, additional expectations emerge. When additional expectations emerge, they need to be considered in terms of the project's formal change control process and, if accepted, the project plan will be revised and these additional expectations would become additional project activities to be performed. All of the activities related to managing engagement increase support from those stakeholders who favor the project and decrease resistance from other stakeholders.

6-4 Monitor Stakeholder Engagement

Monitor stakeholder engagement is the process of engaging stakeholders and managing relations with them effectively. The vertical box on the right in Exhibit 6.6 shows three things a project manager must monitor throughout the process of managing stakeholder expectations: relationships, communications, and lessons learned. Through honest and ethical behavior, the project manager and project team must build trust with all project stakeholders. They need to continually manage effective two-way communications with all stakeholders as described in the communications plan. This includes a true willingness to encourage stakeholders to ask probing questions, as that is an effective way to develop confidence with some stakeholders. Finally, they should use lessons learned from previous projects and previous phases of the current project. Armed with trusting relationships, effective communications, and methods to overcome some problems from previous projects, the team is prepared to adjust strategies and plans as needed to control stakeholder engagement.



On Agile projects, stakeholders need to be educated about their roles; alerted in advance concerning changes; and request early and continuous feedback. These are all excellent methods to use on any project.

6-5 Plan Communications Management

The project team should next create the **communications management plan**. This plan considers stakeholders' information desires and guides the project communications. It needs to be a living document that adapts to changing project needs.

6-5a Purposes of a Project Communications Plan

Projects face many challenges, including technical, cost, and schedule difficulties. Failure to manage any of them well can throw off a project. Perhaps the most common

challenge to project success is communication. Many projects require a group of people to work together who have not done so before. Projects may involve people from various functional areas that all have their own unique challenges. Sometimes, people from multiple companies may end up working together on projects. All projects are unique and therefore they have a different set of stakeholders. “Communication leads to cooperation, which leads to coordination, which leads to project harmony, which leads to project success.”⁸

6-5b Communications Plan Considerations

A myriad of considerations must be kept in mind when creating a communications plan. A project team can develop a workable communications plan, use it, and improve it as the project progresses. Some factors that Fiesta[®] San Antonio organizers considered when creating a project communication plan are shown in Exhibit 6.7. These factors apply to all project communications. Therefore, we discuss these factors first and then explain who provides information needs to the project team and to whom the team needs to supply information.

PURPOSE COLUMN The first column in Exhibit 6.8 instructs a project team to consider the *purpose* for each communication. Without good use for the communication, it makes no sense to develop it. A project manager must use effective communications to set and manage expectations of all stakeholders as well as to ensure that project work is completed properly and on time. Communications *from* stakeholders are necessary in

EXHIBIT 6.7

FIESTA SAN ANTONIO COMMUNICATION PLAN NEEDS

In August 2012, the Institute of Texan Cultures, a museum specializing in Texas culture and diversity, forged a partnership with the Fiesta[®] San Antonio Commission to produce a series of exhibitions showcasing the traditions of Fiesta[®], San Antonio’s premiere festival. Fiesta[®] is an annual 10-day festival of over 100 events and 5 large parades. The festival draws 3.5 million visitors. It is tradition for Fiesta[®] events to commission new medals each year to give to event-goers to wear and trade throughout the festival.

The museum’s leadership team convened with the Fiesta[®] San Antonio Commission’s executive director at the end of August to assemble a project management plan. The parties identified stakeholders who would be impacted by the project. They prioritized stakeholders by influence, and divided responsibilities for developing and maintaining relationships with each of those stakeholders.

The following challenges were anticipated:

- It would take time for the 120 Participating Member Organizations (PMOs) to reach their members and assemble a full collection of medals to loan to the museum.
- Some PMOs might be offended if their medals were not displayed more prominently than other PMOs.
- The museum would be engaging the same PMOs to support future exhibitions, so it was critical to maintain positive relationships.

It was clear that a comprehensive communications plan would need to be implemented to establish lines of communication, nurture relationships, and manage the flow of information between stakeholders.

Source: Aaron Parks, Institute of Texan Cultures

EXHIBIT 6.8

PROJECT COMMUNICATIONS PLAN CONSIDERATIONS			
PURPOSES	STRUCTURES	METHODS	TIMING
Authorization	Existing organizational forms (reuse)	Push methods:	Project life cycle
Direction setting	Project specific:	Instant messaging	Charter
Information seeking		E-mail	Project plan
Status reporting:	Templates (adapt)	Voice mail	Milestones
Schedule	Unique (create)	Text	Output acceptance
Cost		Pull methods:	Project close-out
People		Shared document repositories	Routine time
Risk		Intranet	Daily—member
Issues		Blog (repository)	Weekly—core team
Quality		Bulletin boards	Monthly—sponsor
Change control		Interactive methods:	As needed—others
Approval of project outputs		Telephone—teleconferencing	
Escalation		Wikis	
Lessons learned		VOIP/videoconferencing	
		Groupware	

authorizing work, determining requirements, uncovering and resolving issues and assumptions, and receiving feedback on project progress and results. Different stakeholders often have conflicting desires; effective communications are necessary to understand and resolve these differences. Communications *to* stakeholders are necessary to help them make good decisions (by understanding options and risks), assure them of adequate understanding and project progress, enable them to fully commit to the project, and be ready to accept project deliverables. Yet another communication purpose is to plan and manage escalation of issues that cannot be handled in a timely manner by the project manager. Wise project managers determine in advance how soon an issue will be escalated to the sponsor and/or other decision makers. Finally, communications plans ensure that at project conclusion, meaningful lessons can be documented to benefit future projects.

A project manager develops trust with her core team and other stakeholders partly by using open and transparent communications to the extent possible. However, she needs to respect all promises of confidentiality and to use good judgment on what is or is not appropriate to share.

STRUCTURES COLUMN The second column suggests that when an organization has adequate existing communication *structures*, it should use them! There is no need to reinvent every document and, indeed, it would be confusing and costly to do so. Many stakeholders in organizations are accustomed to a particular method of communications, and using that method will make it easier for them to understand you. When no exact organizational model is available for a specific communication, one can use a template, which is still easier than creating an entirely new type of document.

Using any of the three choices, project teams need to maintain version control on all of their communications. One easy method is to end the file name of every document with six numbers representing year, year, month, month, and day, day. For example, an early version of this chapter was saved on February 1, 2017, and the file name given was “Chapter 6 Stakeholder Analysis and Communication Planning 170201.” The advantage of a simple system is that the files can still be easily found by their descriptive named titles, but they can also be sorted easily by the last date they were updated.

METHODS COLUMN The third column in Exhibit 6.8 deals with *methods* of communicating. Projects rely on “push” methods in which communications are sent or pushed; “pull” methods where communications are posted either on paper or in electronic form and interested stakeholders need to take the initiative to receive the communication; and interactive methods in which communications flow in multiple directions. A typical project communication plan will utilize a variety of these methods.

TIMING COLUMN The fourth column is a reminder that a project team needs to consider *timing* issues when developing a project communications plan. Communications typically are delivered according to one of three types of timing schedules. First is the project life cycle, with communications typically needed at the end of each major stage in the project and upon completion of each major project deliverable. The second timing schedule follows a more formal organizational structure. Project progress is often reported at regularly scheduled meetings. Meetings at the frontline level are usually more frequent than reports to higher levels within the organization. The third timing scheme is on an as-needed basis. Many times, a stakeholder wants to know a certain fact about a project and cannot wait until the next formal meeting or report. Project teams need to keep themselves up to date so they can handle the as-needed requests.

6-5c Communications Matrix

At this point, project teams will normally assemble a project **communications matrix**. This matrix lists the following information:

- Who** does the project team need to learn from?
- What** does the team need to learn from this stakeholder?
- Who** does the project team need to share with?
- What** does this stakeholder need to know?
- When** do they need to know it?
- What** is the most effective communications method for this stakeholder to understand?
- Who** on the project team is responsible for this communication? (the owner)

The communications needs of each project are unique and, therefore, the assignment of communications responsibilities will vary widely from project to project. A partially completed project communications matrix for the Modular courses program is shown in Exhibit 6.9. This identifies the information needs of the program team and the stakeholders. Various methods of communication are proposed, depending on the purpose of the communication and the constraints within which the stakeholder engagement must take place. It won't be possible to meet with the program board every day, so weekly meetings, supplemented by short one-on-one stand-ups with the Vice Chancellor are planned. It was decided to create a program board made up of key decision makers—to

EXHIBIT 6.9

MODULAR COURSES - PROJECT COMMUNICATIONS MATRIX				
STAKEHOLDER	PROJECT INFO. NEEDS	STAKEHOLDER INFO. NEEDS	METHODS	TIMING
Program Board (Vice Chancellor)	Direction, strategy, budget, authorizations	Status—progress and SH positions	Scheduled board meetings, circulated minutes, one-on-ones with Vice Chancellor	Weekly and as needed Daily 15-min. stand-up with Vice Chancellor
Deans of Faculty	Concerns, WIIFT	Plans, changes to practices affecting their staff	Program newsletter, across-faculty workshops, informal one-on-ones consultation	Every 2-3 weeks depending upon concerns.
Academic Registrar (AR)	Requirements	Resource commitments, status	Workshops with team, e-mails	Frequent in early stages then timed to delivery points.
Lecturers	Concerns	Plans, changes to practices affecting them	Program newsletter, presentations, e-mails	Monthly
Student support	Requirements	Resource commitments, status	Workshops with team, e-mails	Frequent in early stages then timed to delivery points
Students	Concerns	Changes to enrollment procedures	Social media, e-mails, presentations	E-mail and meetings

serve as an important communication and decision-making conduit for the program. The actual communication plans impact the scope of the project. For example, having a program newsletter adds to the scope—the effort and costs of the project. In complex projects, the communications plan can form a major proportion of the project scope.

Stakeholders want to know how much work has been successfully delivered (acceptance tests passed) and how much work is remaining. Project team members use the information to motivate and improve their performance. Sponsors use the information to strategically understand if the project team will complete all work on time and within budget. Other stakeholders may share the sponsors' overall concern but want details of work that concerns their functions. While these communication needs are common on all projects, Agile projects have unique reports such as velocity, burn-down charts, running tested features, and earned business value.⁹

6-5d Manage Project Knowledge

If a company does extensive project work and uses project management capability as an organizational strength, it is important to keep developing expertise in it. One way to develop and expand expertise is to capture and reuse the knowledge developed. **Knowledge** can be defined as insights derived from information and experience. Knowledge also is “a conclusion drawn from information after it is linked to other information and compared to what is already known.”¹⁰ Ironically, knowledge will remain dormant, and not very useful, until it is reflected in future actions. **Manage project knowledge** is the process of using and developing knowledge to help improve both the current project and the capability of the organization.

To increase knowledge and the successful use and reapplication of it, organizations often create a lessons learned knowledge base. For this database to be useful, it is important to

communicate project successes and failures from all aspects of the project process. Captured throughout the life of the project, recommendations to improve future performance can be based on technical, managerial, and process aspects of the project. In addition, part of the project closeout process should include facilitating a lessons learned session for the entire project, *especially on unsuccessful projects*. Remember, “people learn, not organizations. . . . Knowledge is created and exchanged through trusted relationships and social interaction.”¹¹

6-6 Manage Communications

Manage communications includes all the work associated with the project communications plan, starting with planning for it; generating it; organizing and sharing it; and, finally, storing and disposing of it. In order to successfully communicate the right project information to the right stakeholders, in the right format, at the right time, several things must happen. First, all of the information required to develop the project communications management plan should be assessed and obtained. Then, while the project is under way, the project manager and team need to determine any additional information needs not already uncovered, establish an information retrieval and distribution system, collect information on executed work and work in progress, and then report progress to all stakeholders.

6-6a Determine Project Information Needs

Many stakeholder information needs were identified during communications planning, such as authorization to proceed, direction setting, status reporting, and approval of outputs. Often, other information needs arise during project execution. All needs must be handled accurately, promptly, and in a manner that balances effectiveness with cost and effort.

- Communicate accurately—Accurate communications means not only being factually honest but also presenting information in a manner that people are likely to interpret correctly.
- Communicate promptly—“Promptly” means providing the information soon enough so that it is useful to the recipient to facilitate timely decisions.
- Communicate effectively—Effectiveness is the extent to which the receiver opens, understands, and acts appropriately upon the communication.

It is very easy to just copy everyone on an e-mail, but that is neither convenient nor effective for some people. Face-to-face communication tends to be the most effective, the telephone less so, and e-mail and formal reports even less. It is in the project manager’s best interest to communicate effectively since the information provided allows stakeholders to make decisions, understand real challenges, remain motivated, and believe that the project is in control.

6-6b Establish Information Retrieval and Distribution System

Project information can be retrieved from many different sources. It can also be distributed via many systems. Project management software such as MS Project is frequently used for schedule information and sometimes for cost and human resource information. Project managers use many methods of communicating. In this information age, project managers need to keep three things in mind with communications:

1. Target the communications. More is not better when people are already overloaded.
2. Many methods are available, and the choices change rapidly. Use new methods if useful, but do not discard proven methods just for the sake of change.

3. Projects often have many stakeholders who need specific information. Use your communications plan and always keep asking if there is any other stakeholder in need of upward, downward, or sideways communications.

Tatro, Inc., uses a hosted project management page on its website that clients can access with a password to witness project progress from anywhere in the world on a 24/7 basis. It displays photos that show actual progress for the client to view.

One specific and important skill that project managers can use to retrieve information is active listening. Active listening requires focus on what the person is saying. The active listener can ask clarifying questions and paraphrase to ensure that he or she understands exactly what is meant. Making eye contact and using body language that shows eagerness encourage the speaker to continue. An effort to simultaneously understand both the meaning of the message and the hidden emotions helps the receiver to understand the full message. Recognize that many speakers are not especially skilled in communications, so paying more attention to their message than their style of delivery also helps. Often, a project manager can successfully end the conversation by orally confirming what he or she just heard and by following up with an e-mail for documentation.

6-6c Project Meeting Management

Planning and conducting projects require a variety of meetings, such as meetings to:

- Establish project plans
- Conduct the project activities
- Verify progress
- Make decisions
- Accept deliverables
- Close out projects

Meetings are an important process on projects since many important decisions are made at meetings and much time of expensive project personnel is invested in meetings.



One common feature of Agile projects is the “stand-up meeting.” These short (15 minute or less) meetings are often held at the start of each day with no comforts such as coffee or chairs. Each project team member briefly states what she accomplished the previous day, what she plans to accomplish this day, and what obstacles may challenge her.

Project meetings should be conducted as efficiently and effectively as possible. One way to improve the project meeting process is to apply the simple and effective plan-do-check-act (PDCA) model.

PDCA MODEL The idea behind process improvement with the PDCA is that any process practiced repeatedly, focusing on reusing and adapting things that worked well and avoiding things that did not work well, improves over time. Exhibit 6.10 depicts the PDCA model as it is applied to project meetings. Each of the four sections will be explained in more detail in the following sections, but, in short, this model gives advice on how to do the following for meetings:

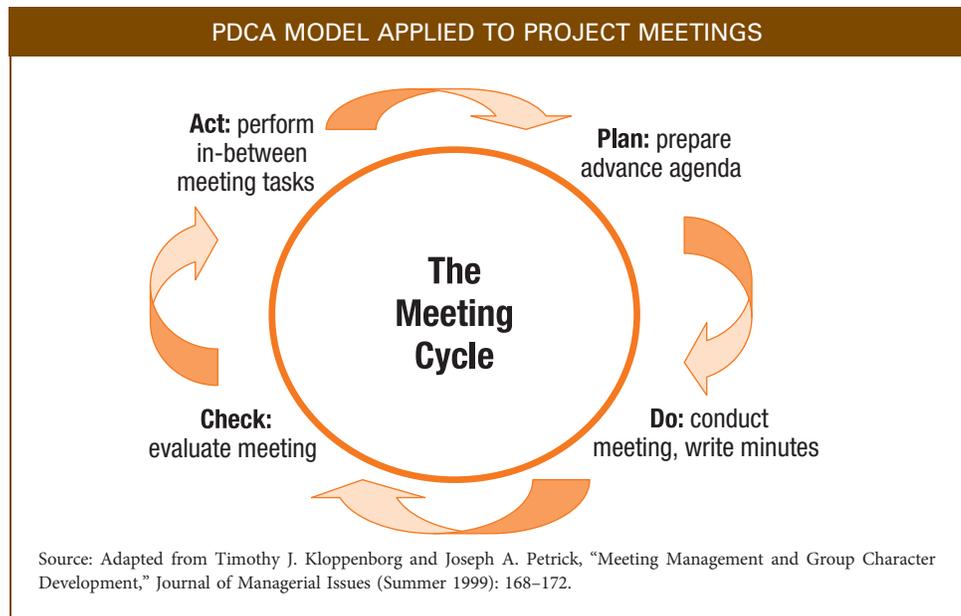
- P Plan:** prepare an advanced agenda to guide the meeting
- D Do:** conduct the meeting and write meeting minutes
- C Check:** evaluate the meeting and
- A Act:** perform in-between meeting tasks.



wavebreakmedia/Shutterstock.com

PROJECT MEETING AGENDA TEMPLATE When applying the PDCA improvement model specifically to improving project meetings, the first step is planning the project meeting in advance. The project manager assures that the agenda is prepared and distributed ahead of time. If a project team is meeting often, this advance agenda

EXHIBIT 6.10



preparation may be done at the end of the meeting for the next meeting. That way, everyone understands beforehand what will be covered in the upcoming meeting and will have the opportunity to prepare for the meeting. The agenda also can be helpful in deciding whether to invite a particular subject matter expert (SME) or other guest to the meeting. A project meeting agenda template is shown in Exhibit 6.11.

The top part of the agenda contains meeting logistics. The second item on the template is the meeting purpose. If a project manager cannot state in a sentence why he wants to conduct a meeting, perhaps the meeting is not necessary. The main body of the agenda has three columns. First is a list of the topics. This starts with a quick review of the agenda, because projects often move quickly, and this provides an opportunity to add or delete an item from the agenda. Also, it helps busy people rushing from another meeting to manage their time and focus on relevant agenda items. The major topics of the meeting are listed next in the order in which they will be covered. Often, remaining items from previous meetings or other urgent matters top the list. However, a project manager wants to be sure to cover the most important matters, even if they may not have the same sense of urgency. The second-to-the-last item on the standard agenda is the meeting summary. The project manager summarizes major decisions that were made as well as work assignments that were distributed. This helps people remember what they agreed to do. The final item on the agenda is an evaluation of the meeting. This is explained in the check step of the PDCA model.

The second column lists the person responsible for each topic on the agenda. Typically, the project manager takes care of the meeting start and close, but individual project team members may be assigned specific action items. When people know in advance that they are responsible for an action item, they are more likely to be prepared. Additionally, if the advance agenda is available for key stakeholders to see, some of the stakeholders may contact the responsible person in advance to provide input. This is a good way to keep stakeholders engaged.

The third column is a time estimate for each item. While the project manager does not need to be a slave to the clock, recognition of how long team members are in

EXHIBIT 6.11

PROJECT MEETING AGENDA TEMPLATE		
Project Team _____ Date _____ Time _____ Place _____		
PURPOSE:		
Topic	Person	Time
Review agenda	_____	2 min
Topic 1	_____	_____
Topic 2	_____	_____
Topic 3	_____	_____
Summary	_____	5 min
Meeting evaluation	_____	2 min

meetings and how many items are accomplished goes a long way. People are more likely to attend a meeting if they are sure it will end on time.

PROJECT MEETING MINUTES TEMPLATE The second step in the PDCA process—“do”—means to conduct the meeting and to capture minutes as the meeting is conducted. Many project teams rotate the role of minutes taker so each team member feels equal. A template for taking project minutes is shown in Exhibit 6.12.

6-6d Issues Management

The project minutes mirror the agenda to the extent that both refer to the same meeting. The top part of the minutes form is logistics, just as in the agenda. The four primary types of information captured in a project meeting are:

1. Decisions made
2. New issues surfaced and old issues resolved
3. Action items agreed to
4. An evaluation of the meeting

DECISIONS AND ISSUES First, any decisions that were made should be documented. Second, any new issues that surfaced or existing issues that were resolved should be recorded. An **issue** is a situation that requires a decision to be made, but one that the team cannot make now, usually either due to needing information or more time. An **issues log** is a dynamic repository of information regarding both open issues and those that have been resolved. Issues logs benefit a project in at least two ways. First, when an important issue—but not one that can be solved in the immediate meeting—is introduced, the project manager can add it to the open issues and not spend time on it in the

EXHIBIT 6.12

PROJECT MEETING MINUTES TEMPLATE		
Project Team _____ Date _____ Time _____		
Members present:		

Decisions Made:		

Issues Log:		
Resolved Issues _____		
New Issues _____		

Action Item	Person Responsible	Completion Date

Meeting Evaluation		

EXHIBIT 6.13

PROJECT ISSUES LOG				
OPEN ISSUES				
NAME	DATE OPENED	ORIGINATOR	POTENTIAL IMPACT	PROGRESS
CLOSED ISSUES				
NAME	DATE OPENED	ORIGINATOR	HOW RESOLVED	DATE CLOSED

current meeting when more pressing matters need to be settled. Second, the issues log ensures that important issues are not forgotten. An issues log template is shown in Exhibit 6.13.

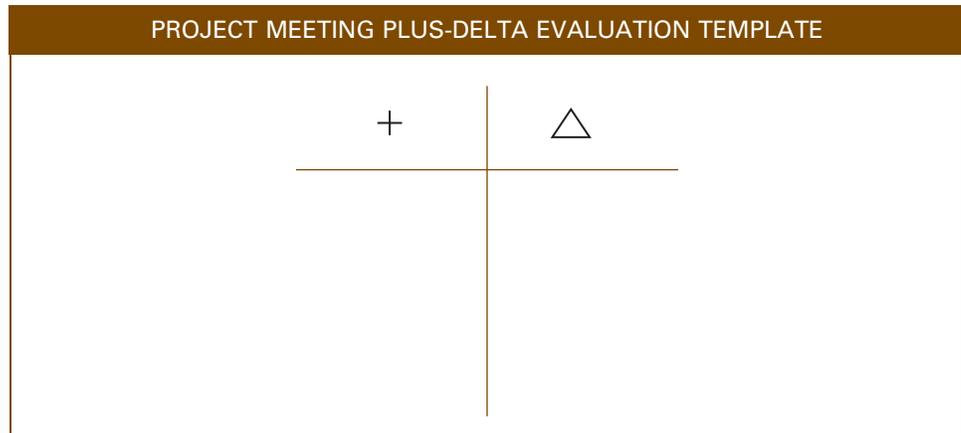
ACTION ITEMS The third type of project information is action items. Each of these is a task that one or more members of the project team agree to perform by a specific date. These are recorded, and the project manager reminds the team at the end of each meeting what each member agreed to do.

EVALUATION The final item to be recorded on the project meeting minutes is an evaluation of both good points from the project meeting that the team would like to repeat or at least adapt and poor points from the meeting that the team would like to avoid or perform in a different manner in the future. An experienced team can collect these points in a minute or two; the time they save in future meetings often pays great dividends. An easy way to capture these evaluations is a Plus-Delta template, as shown in Exhibit 6.14.



On Agile projects, this evaluation is called retrospectives.

When assessing the project meeting with a Plus-Delta method, a project manager can simply draw the form on a flip chart or marker board. Then, each person is asked to offer his opinion on at least one aspect of the meeting that either was good (+) that she would like to see repeated or one thing that was poor (Δ) and could be overcome in future meetings. The key to making this work for the project manager is how she responds to any deltas. If the project manager responds defensively, the team members may not want to offer further suggestions.

EXHIBIT 6.14

Finally, the “act” part of the PDCA cycle for project meetings is for every team member to complete the action items they promised and for the project manager to communicate with the team members to make sure nothing is holding them back from their commitments. Wise project managers keep active but informal contact with team members between meetings to ensure action items are completed on time. When all steps of the PDCA cycle are applied to project meetings, the meetings improve; the team members gain satisfaction; and the project makes better progress.

PMP/CAPM Study Ideas

There is a great deal of overlap between Project Communications Management and Project Stakeholders Management. Each edition of the PMBOK makes changes with and between these two groups, so be sure you are using the sixth edition if you are studying for one of the PMI certification tests. Besides developing the project charter—which is like a mini pre-plan that gives the project manager and team the authority to begin planning in more detail—the only other activity that takes place during the Initiating Process Phase is Identify Stakeholders.

The main work of the next phase—the Planning Process Group—is creating the Project Management Plan. The project management plan is the aggregate of plans from each of the ten knowledge areas, including the Communications management plan and Stakeholders Management Plan. As always, you will need to be familiar with the inputs, tools and techniques, and outputs that go into each.

Summary

Projects frequently have many diverse stakeholders. Some stakeholders do not know exactly what they want, and different stakeholders sometimes want different things. The project manager and sponsor need to build effective working relationships with the project team and stakeholders. When good relationships are

built and maintained, the project team can enjoy the trust that is so helpful in successfully completing the project.

Armed with the stakeholder analysis and the project charter, a project team is ready to create a communications management plan. One important component of

this plan is the communications matrix. This is the document that answers these questions:

- Who needs to know something about the project?
- What does each need to know?
- When do they need to know it?
- What format is easiest for them to receive and understand the information?
- Who is responsible for sending it?

Other important aspects of a project communications management plan include managing and improving meetings; managing and escalating issues; and capturing and using lessons learned.

Once stakeholders have been analyzed and communications are planned, the project team can get into more detailed planning of scope, schedule, resources, budget, risks, and quality—the topics of the next six chapters.

Key Terms Consistent with PMI Standards and Guides

identify stakeholders, 179

stakeholder analysis, 180

stakeholder register, 183

plan stakeholder engagement, 184

stakeholder engagement plan, 184

stakeholder engagement assessment matrix, 184

manage stakeholder engagement, 186

monitor stakeholder engagement, 197

plan communications management, 188

communications matrix, 191

knowledge, 192

manage project knowledge, 192

manage communication, 193

issue, 197

issues log, 197

Chapter Review Questions

1. List three reasons why understanding stakeholders is important to successful project management.
2. What is the difference between an internal and external stakeholder?
3. Which three criteria should you consider when prioritizing stakeholders?
4. When should relationship building between the project manager/other core team members and important stakeholders occur?
5. What are some ways to build relationships within the core team?
6. What are some ways to build relationships with key stakeholders?
7. What are some important functions of communication *from* stakeholders?
8. What are some important functions of communication *to* stakeholders?
9. In order to manage stakeholders' expectations, a project manager needs to understand the stakeholders' assumptions. Which document(s) can help with this?
10. What is the difference between "push" and "pull" methods of communication? Give examples of each.
11. What are three types of project communications timing schedules?
12. What six columns should a communications matrix contain?
13. Why is it so important to capture lessons learned in a knowledge database?
14. List the items that go into a project team meeting agenda and tell the purpose of each.
15. Describe an Agile "stand-up" meeting.

Discussion Questions

1. A new grocery store is being erected that will demolish a neighborhood basketball court. Who would be some internal stakeholders? Who would be some external stakeholders?
2. With a few of your classmates, conduct an Agile stand-up meeting and briefly discuss the three meeting components mentioned in this chapter.
3. Think of a recent project you completed and choose three stakeholders. Prioritize them, using the six-criteria model.
4. In your opinion, what is the single most important component of building relationships within a project team? Why?

5. In your opinion, what is the greatest benefit of having good communication between the project team and project stakeholders? Why?
6. Imagine you are the project manager of a team tasked with building a new hotel. When brainstorming project communication plan considerations, what would you list under “purposes”?
7. Using the same scenario as question 6, which timing schedule would you choose to use for each communication? Why?
8. Create a project meeting agenda for an upcoming project (or class) meeting you have.
9. Give an example of a time you have used push, pull, and interactive communication methods. Why did you choose the method you did based on the circumstances?
10. Betty, a project manager, sent out agendas before an upcoming meeting to everyone involved. During the meeting, she got a team member to take minutes. After the meeting, Betty followed up with team members to check on their progress. Evaluate Betty’s actions using the PDCA model. What, if anything, could she have done better?

PMBOK® Guide Questions

1. The “component of the project management plan that describes how project communications will be planned, structured, and monitored” is the:
 - a. communication model
 - b. communications management plan
 - c. stakeholder register
 - d. organizational breakdown structure
2. In order for a new grocery store to be erected, a neighborhood basketball court located on the building site will have to be demolished. The neighborhood children who liked to play basketball there could be considered _____.
 - a. subject matter experts
 - b. internal stakeholders
 - c. external stakeholders
 - d. customers
3. A common method of prioritizing stakeholders is based on the stakeholders’:
 - a. legitimacy
 - b. power
 - c. urgency
 - d. all of the above
4. The components of a project communications management plan should typically include the purpose of the communication, structure (format, content, etc.), methods or technologies to be used, and _____.
 - a. work performance data
 - b. time frame and frequency
 - c. stakeholder priorities
 - d. lessons learned
5. Most project meetings are formal, planned events between project stakeholders. Effective meetings typically have a purpose, a prearranged time and place, a list of attendees and their roles, and an agenda with topics and issues to be discussed. After the meeting, _____ are circulated.
 - a. refreshments
 - b. business cards
 - c. meeting minutes
 - d. lessons learned
6. The “project document that includes the identification, assessment, and classification of project stakeholders” is called the _____.
 - a. stakeholder engagement matrix
 - b. organizational breakdown structure
 - c. stakeholder register
 - d. weighted scoring model
7. A document used to manage points of discussion or dispute that arise during projects, in order to monitor them and ensure that they are eventually resolved and added to lessons learned, is called a(n) _____.
 - a. risk register
 - b. stakeholder register
 - c. SWOT analysis
 - d. issue log
8. One of the key responsibilities of a project manager is to manage stakeholder expectations. It is important for the project manager to have interpersonal or “soft” skills that include: overcoming resistance to change, resolving conflict, active listening, and _____.
 - a. displaying confidence
 - b. subject matter expertise
 - c. ability to command and control
 - d. building trust

9. The process of communicating with stakeholders and working with them to meet their expectations, address issues as they occur, and obtain their continued commitment to the success of the project is called _____.
- Manage Stakeholder Engagement
 - Monitor Stakeholder Engagement
 - Monitor Communications
 - Manage Project Team
10. The communication method that is used for large audiences or large volumes of information and requires recipients to access the content at their own discretion, is called _____ communication.
- push
 - pull
 - synchronous
 - interactive

INTEGRATED EXAMPLE PROJECTS

SUBURBAN HOMES CONSTRUCTION PROJECT

Suburban Homes realizes the importance of maintaining excellent relations with all its key stakeholders. Among the stakeholders are clients who purchase homes, local law enforcement agencies, potential buyers, county and state agencies for real estate development, environmental regulatory agencies, both local and federal, community leaders, contractors, subcontractors, local construction material suppliers, and the list goes on.

Suburban Homes decided to build a new community of 120 homes in a suburb of Atlanta. It has acquired 15 acres of land for this purpose. It also has submitted a preliminary plan to the local county government for approval.

Suburban Homes is thinking of hiring a consultant for developing a stakeholder management plan and

communication plan. For its stakeholder management plan, they would like to identify all the stakeholders and develop a stakeholder register. Further, it is considering selection of at least six key stakeholders for a detailed analysis of a prioritization matrix, as shown Exhibit 6.2, and to develop a stakeholder matrix, as shown in Exhibit 6.4.

As a consultant to Suburban Homes, you are asked to develop a stakeholder engagement plan (Exhibit 6.5) and a comprehensive stakeholder management plan after developing the stakeholder prioritization matrix and stakeholder matrix, as shown in Exhibits 6.2 and 6.4, respectively.

Using the stakeholder management plan, the company has also requested you to develop a communication plan that makes use of Exhibits 6.8 and 6.9.

CASA DE PAZ DEVELOPMENT PROJECT

In this chapter, the first thing we need to do is understand who our stakeholders are and the importance of each set of stakeholders. The initial look at stakeholders is shown in the matrix below.

Once we have our stakeholder priority matrix, we will ask each stakeholder what they want from this project. We will then use that information to develop a communications matrix showing for each stakeholder what they need to know from the project team and what they need to share with the project team, along with the most effective methods and times for these communications

to take place and who on the project team is responsible for each communication. We will also develop meeting agendas, minutes, issues logs, and meeting evaluations.

In Agile, the role of communication with stakeholders is much more formalized to enable the team to focus on the work. The product owner is the primary contact for all stakeholders and acts as a buffer between stakeholders and team members while the iteration is under way. The ceremonies in some Agile approaches act as a time for the stakeholders to see the progress and make comments.

Stakeholder Prioritization				
Project: Casa de Paz				
Stakeholder	Power	Legitimacy	Urgency	Total
Parish Council	5	5	4	14
Casa de Paz Staff	5	5	4	14
Board Members	5	5	3	13
Community Council	3	5	4	12
Casa de Paz Volunteers	2	4	4	10
Residents/Future Residents of Casa de Paz	1	5	4	10
Members of Phoenix Support Group	1	5	4	10
Donors	2	3	4	9
Student Interns	2	4	2	8
Su Casa (who also serves sme community)	1	5	1	7
YWCA	1	5	1	7
Protective Services	1	5	1	7
	1	5	1	7

Semester Project Instructions

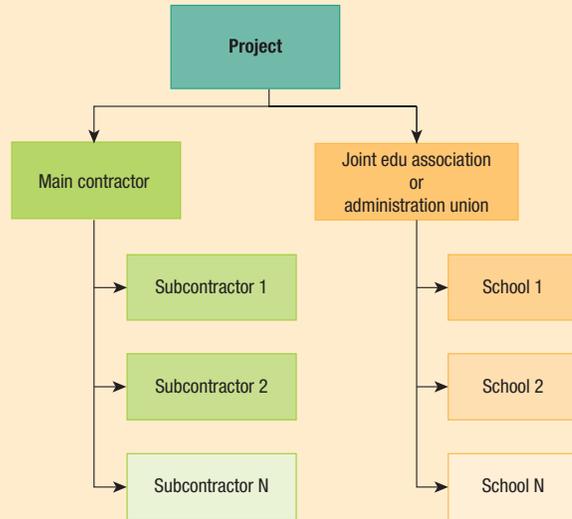
Do each of the following for your project:

- Develop a stakeholder analysis. Identify as many stakeholders as you can using Exhibit 6.1. List stakeholders by name and title where possible.
- Prioritize the listed stakeholders, as shown in Exhibit 6.2.
- Specifically identify each stakeholder's interests, as shown in Exhibit 6.4. Recognize that some stakeholders may have an interest in multiple aspects of the project process or results.
- Describe the activities you are using to build relationships with your stakeholders.
- Create a stakeholder engagement matrix like Exhibit 6.5.
- Develop a communications matrix like Exhibit 6.9. Be sure to use considerations in Exhibit 6.8 for ideas regarding purpose, structures, methods, and timing for each communications need.
- Document a project meeting with an advance agenda, meeting minutes, issues log, and Plus-Delta form of evaluation like Exhibits 6.11 through 6.14.

PROJECT MANAGEMENT *IN ACTION*

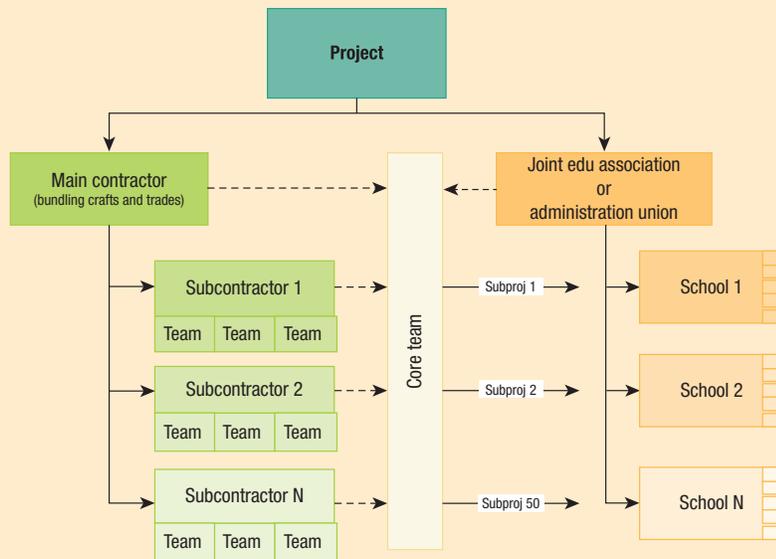
Project Communication Planning for a Distributed Project

During an IT rollout of servers, clients, networking equipment, and a central data center involving a range of subcontractors at each of the roughly 50 regional schools, **the original communication plan** showed:



Original communication plan

After being appointed PM for rollout and implementation, I noticed that this was far from enough and needed to be amended.



Revised communication plan

First of all, **two on-site visits at each location** were introduced in order to

1. **get to know** the location and the people involved and
2. **make sure** all environmental preconditions agreed upon had been properly set up.

For each location, there were between 5 and 20 people involved who all needed special information (depending on their role), thus multiplying the planned effort of communication considerably. However, the still early discovery of the complex stakeholder situation also facilitated a degree of fast-tracking and intensifying the cooperation, which was essential to finalize the project in quality, time, and budget, despite several buffer-consuming events, with very favorable media coverage and proper project close, which otherwise would have been impossible.

Apart from the headmaster and IT teacher, **what other roles** did we “discover”?

- All teachers whose classrooms were involved (receiving equipment, have to move/exchange furniture, rearrange the room).
- Caretaker (usually the one who knew about walls, wires, changes to the building, and the construction history where there were no drawings available).
- Owner of the building (community, private owner, society).
- Sponsor for each individual school (who had to agree to a detailed plan and a float sum of money. This was quite a topic since originally it was thought that a float lump sum of money could be spent on the whole project moving money between sites according to need. The need differed greatly since a newly build school (concrete/steel) poses a whole different range of tasks as compared to 150-year-old converted castle schools with thick walls (think of wireless LAN, think of “protection of historical monuments” = no drilling of holes anywhere and a long analysis and certificates for every little change to the building, think of moist or even wet intended server locations).
- The schools all had preferred local partners for electricity (dedicated electrical phases for 19” server, power supply and network equipment, ideally dry

and ventilated and cool, usually a small moist place with no air flow at all like a broom closet of the Harry Potter type in Privet Drive).

- Structural fire protection authority (they had serious words for the people who suggested drilling through a bulkhead firewall).
- Regional politicians who support the improvement of learning environments.
- Media who supported the project in terms of regional development and marketing the initiative to improve education and bring up-to date learning facilities also to the more rural areas.
- And not to forget the neighborhood and especially the parents (in particular, the ones less IT enthusiastic) who needed a good portion of convincing that this was something big and essential to their kids’ development and future chances.

What finally saved the project?

1. Initial core team brainstorming and **proper stakeholder analysis** (no matter whether according to PMI, IPMA, or PRINCE2, list them all, check their expectation, interests, influence, power, degree of potential support, and involvement).
2. Two alternative Meetings **informing all interested parties** (obligatory to certain stakeholders and open to the public and invited media), so everyone KNEW, everyone received a roughly 50-page hand-out with detailed plans and intentions, involvement of all relevant parties, order of steps, phases of progress, ways of communication, etc.
3. A short **pilot** consisting of 8 schools, 2 schools **of every one of the 4 different types** (primary/small, secondary/middle, gymnasium/large, special needs) helped us group the remaining location in mixed regional groups for each rollout team. Scheduling the whole procedure was a challenge because due to different sizes and varying numbers of equipment, totally different buildings, etc., there was no chance to cut everything into weekly time boxes à la “sprints” in Agile scrum. Instead, every team had their own stream of tasks, consisting of nearly the same steps, however, with independent underlying amounts of effort.
4. At virtually every first on-site visit, **someone unexpected played a vital role** (relevant for interdependency of activities, e.g., schedule, cost, resources, communication, risks, basically the whole range of

PM topics), we (the project core team on “whistle-stop tour,” usually four to five people) explained everything we said at the two kickoff meetings again, answered more questions, and made clear that local support according to schedule was vital, and deliberately failing to meet deadlines meant moving down the list and along the time line.

5. During the second on-site meeting, we checked the “preconditions ready” and if so delivery and setup of IT equipment were approved, if not another school from further down the list was invited to move up if they met the criteria.
6. Every piece of equipment had a checklist, all functions were tested and ticked off by a technician and a school representative reporting status “green,”

Source: Martin Kontressowitz.

which automatically approved the final steps including training of staff on-site by the same technicians who worked on-site the 1–2 weeks beforehand.

Bear in Mind:

1. Have a **plan**. You need to follow a systematic approach throughout the project.
2. Employ **structured information**.
3. **Pilot** what you do.
4. Communicate **face to face** on site.
5. Have **clear rules**.
6. Have a **realistic time line, including buffers** for all sorts of risks and additional stakeholder involvement wherever necessary.

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