Project Management
Part 4

Organisation & Stakeholders

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PM House – The Foundation

CONTROL

RISK MANAGEMENT   CONTROLLING   QUALITY MANAGEMENT

PERFORM

CHANGE REQUEST MANAGEMENT

ORGANI-SATIONAL CHANGE MANAGE-MENT

COMMUNICATION

DOCUMENTATION

TEAMWORK

INFRASTRUCTURE

CONFLICT MANAGEMENT

CREATIVITY

TEAM MOTIVA-TION

INITIALISE

WORK PACKAGES   PROJECT OPERATIONAL STRUCTURE   PROJECT-HANDBOOK   PROJECT ORGANISATIONAL STRUCTURE   PROJECT TEAM

TARGET

PROJECT   ORDER

Project organisation forms

= Organisational structure of complex tasks (projects) characterised by novelty, uniqueness and importance

- **Colleague solution**
Regular meetings of the heads of the affected divisions to coordinate the implementation steps to be initiated and accounted for by the respective divisional management

- **Task force**
Independent temporary organisational unit. The project management plans the project and is responsible for its implementation. Functional area managers delegate a few experienced employees to the project team for a limited time. The project management has authority to issue instructions for the duration of the project.

- **Influence project organisation**
The project management is set up as a staff unit and is responsible for the project. Once the project plan has been approved by management, the plan will be enforced in the affected areas

- **Matrix project organisation**
The project management acts as a division manager similar to product manager. The project management coordinates the project implementation with the functional area managers

- **Pool organisation**
Project management "rents" the team members from technically suitable "pools". The project leaders have full access to team members. Pool managers are only service providers who provide qualified specialists.

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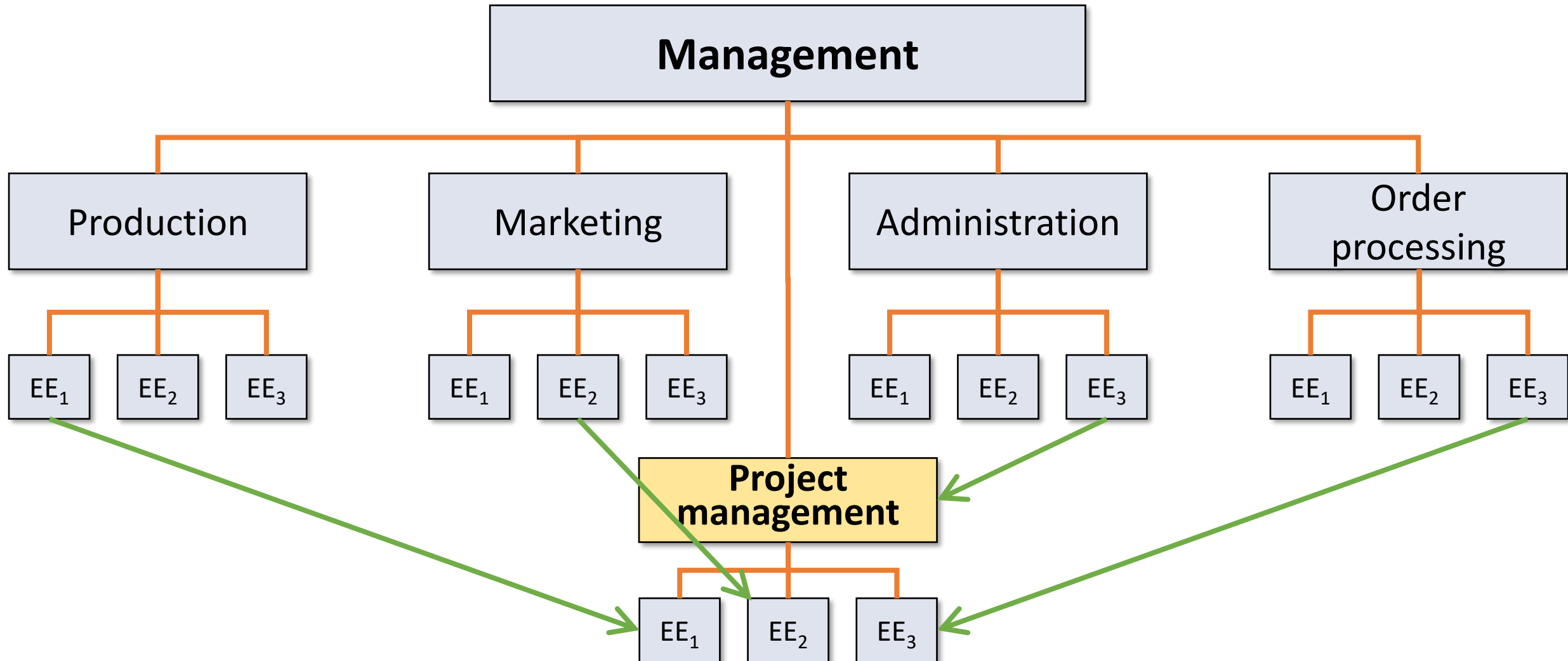
Task Force

Task Force

- Parallel to the company organisation
- Project management is usually directly subordinate to the company management
- Project management has decision-making authority and authority to issue orders
- Project staff reports directly to the project management

➢ For (very) small projects of particular difficulty

Task Force

Advantages

- Clear assignment of tasks and competencies to the project management
- Full concentration on the project
- One point of contact: Project management
- Identification of the project staff with the task
- Rapid project-based decision-making
- Flexible response to changing situations

Disadvantages

- Qualitative and quantitative weakening of the affected department
- Secondment of those employees who are least absent from the department
- Increased burden on the employees remaining in the department
- Disruptions and conflicts due to required information from previous department
- Reintegration after the end of the project
- Different workload of the project staff in the individual phases

Influence Project Organisation
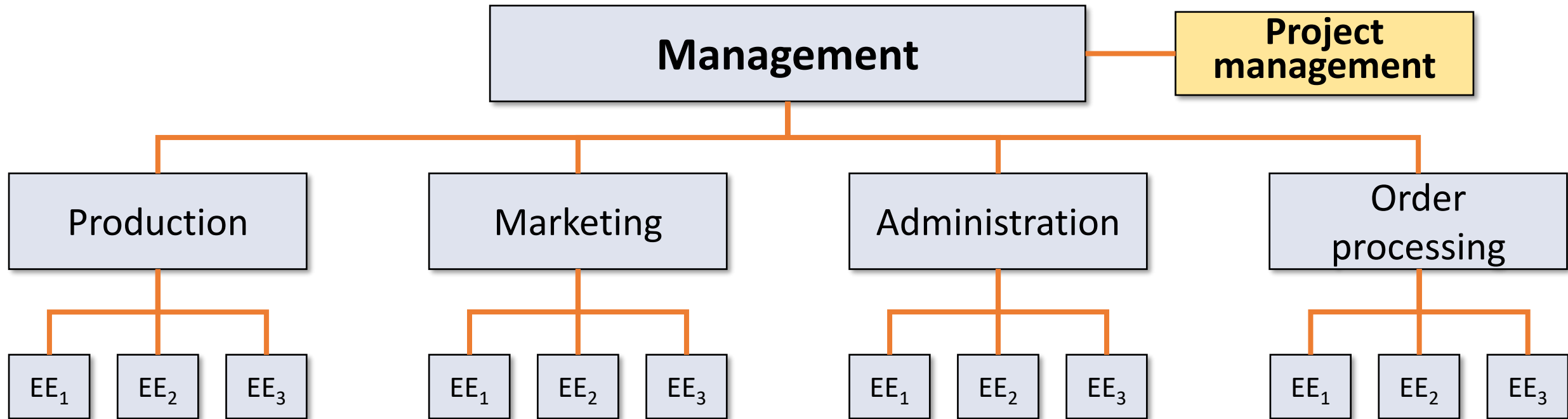
Influence Project Organisation - Properties

- Unchanged hierarchy in the company
- Project management takes over staff function
- Pure coordination and information function of the project management
- Project management can only propose measures on line instances

➢ For well-structured tasks whose procedures are familiar to employees
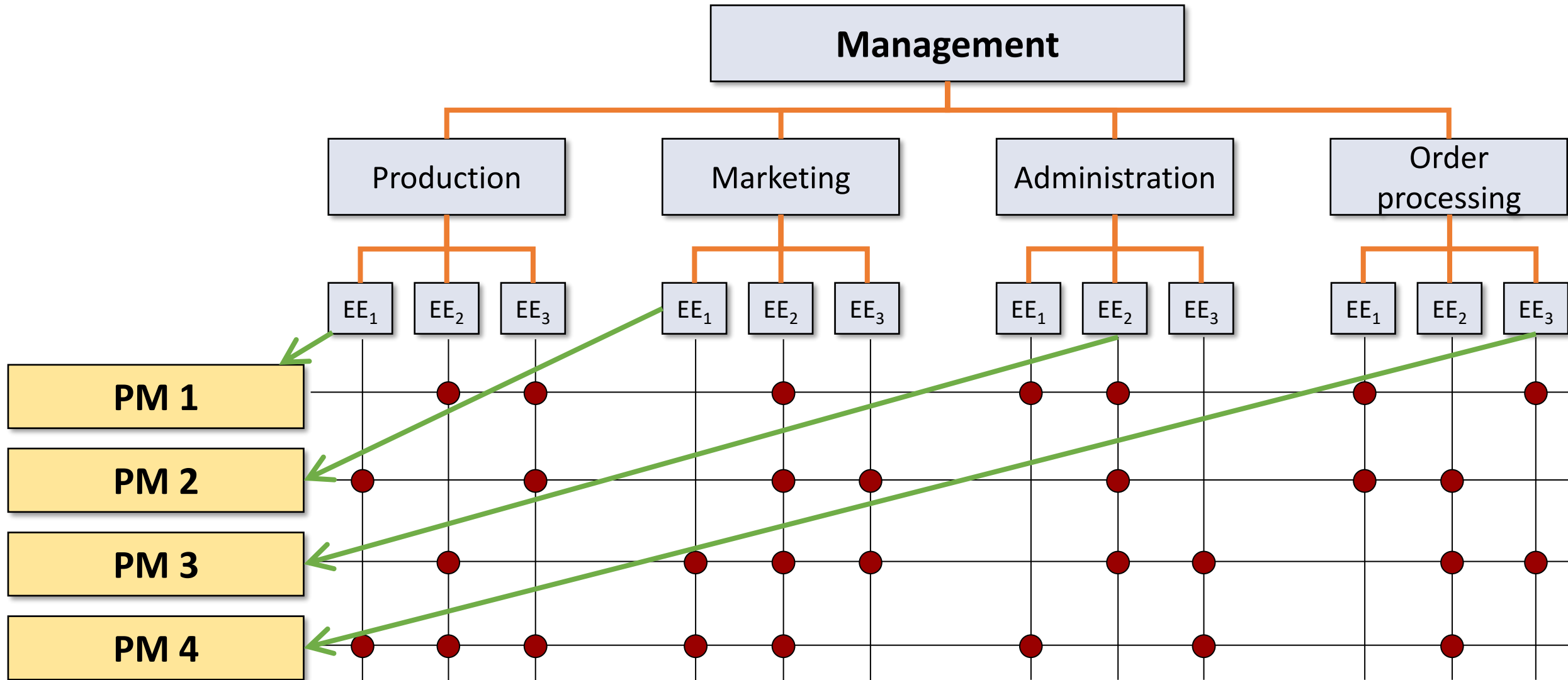
Influence Project Organisation

Advantages

- No change to the existing organization

- Employees remain in their departments

Disadvantages

- Authority and responsibility do not coincide in project management

- Time delay in case of unsolvable conflicts

- No competent and decision-making partner at the client

Matrix Project Organisation

Matrix Project Organisation - Properties

- Head of department is Head of Human Resources

- Project manager is supervisor

- Points of the intended conflict

- High understanding of leadership and great conflict resolution skills required

Matrix Project Organisation

Advantages

- Project staff as an "early warning system"
- Project goals are pursued independently by the project management
- Use of specialist knowledge and experience
- Strengthening the sense of security of the project staff

Disadvantages

- Uncertainty among superiors
- Uncertainty among employees
- Conflicts of jurisdiction
- Playing out superiors

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Pool Projektorganisation
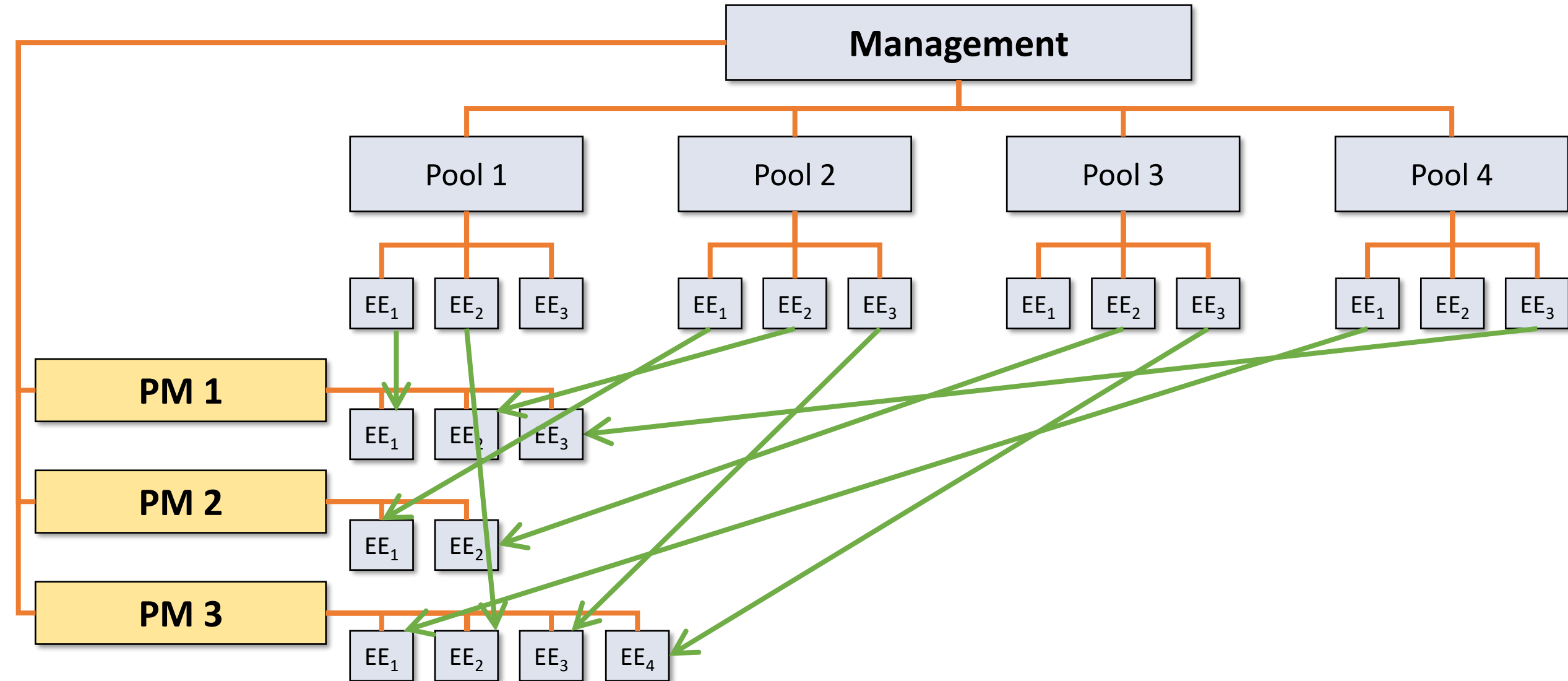
Pool Project Organisation - Properties

- Project management "rents" the team members from technically suitable "pools"

- Project management has full access to team members

- Pool managers are only service providers who provide qualified specialists

Pool Project Organisation

Advantages

- No core organization
- Minimum hierarchy
- Entrepreneurial thinking in the pool is promoted

Disadvantages

- New career paths due to the absence of middle management
- Remuneration system needs to be adapted

➢ For companies with a high level of personal responsibility on the part of their employees

➢ Main business: Handling of projects

Initialise stakeholder management

- Stakeholders (from "to have a stake in") means persons or groups of persons who are
  - **involved** in the project
  - **interested** in the course of the project or
  - **affected** by the effects of the project

- Stakeholder Management
  - Identify the needs of key stakeholders
  - Appropriate consideration in the further course of the project in order to avert dangers from the project
  - 5 steps
    1. Identify stakeholders
    2. Analyse and evaluate stakeholders
    3. Take actions
    4. Implement actions
    5. Monitor stakeholders
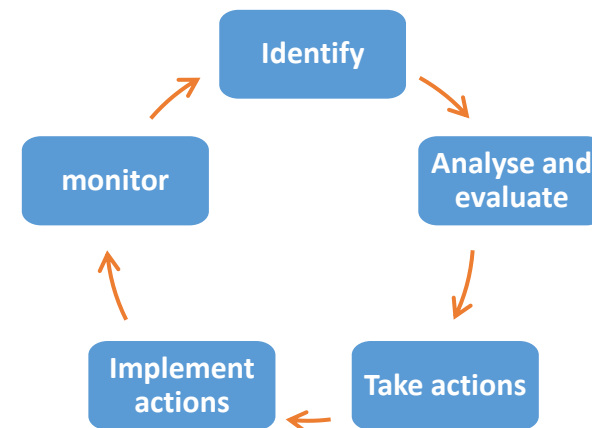
Step 1: Identify stakeholders

- Answer the following questions:
  - o Who can influence the project?
  - o Who is involved in the project?
  - o Who is affected by the impact of the project?
  - o Who is interested in the outcome of the project?

- Various display options:
  - o As a table
  - o Collecting on card
  - o As a sun model / mind map
  - o As a list
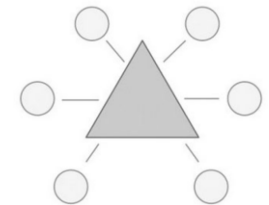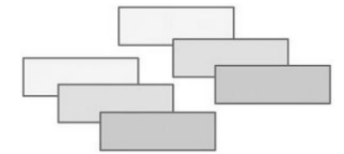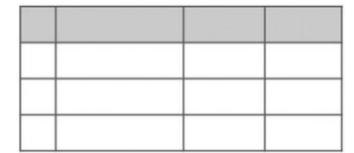
Stakeholder 1
Stakeholder 2
Stakeholder 3
Stakeholder 4
...

Study result – typical important stakeholders

- Customer
- Management
- Colleague / Employees
- Shareholders
- Public
- Department
- Politics
- Partner

- Supplier
- User
- Works council
- Steering committee
- Consultant
- Enterprise
- Competitor
- Other stakeholders

Quelle: Mayer, A. (2017): Studie zum Stakeholdermanagement in Deutschland

Step 2: Analyse and evaluate stakeholders

- Typical criteria

Criteria	Description	Possible rating scale
Influence / Power	How big is the possibility for the stakeholder to influence the project?	Low - medium, - high
Attitude	Is the stakeholder positive or negative towards the project and its effects?	Negative – neutral – positive
Concern / Interest	To what extent is the stakeholder affected by the effects of the project?	Low – Medium – High
Potential for conflict	What is the probability that the stakeholder will cause problems in the project?	Low – Medium – High

- Documentation of results in a table or graphically in the form of a portfolio

Nr.	Stake-holder	Is interested in	Attitude	Influence	Concern	Notes

➢ Picture of the people/groups from whom resistance, but also support, is to be expected in the project and what extent this will have.

Stakeholder grid

	negative ← Attitude towards the project → positive

Influence: high / low

Main resistance — **Sponsors / Promoters**

Operational rejecters — **Operational supporters**

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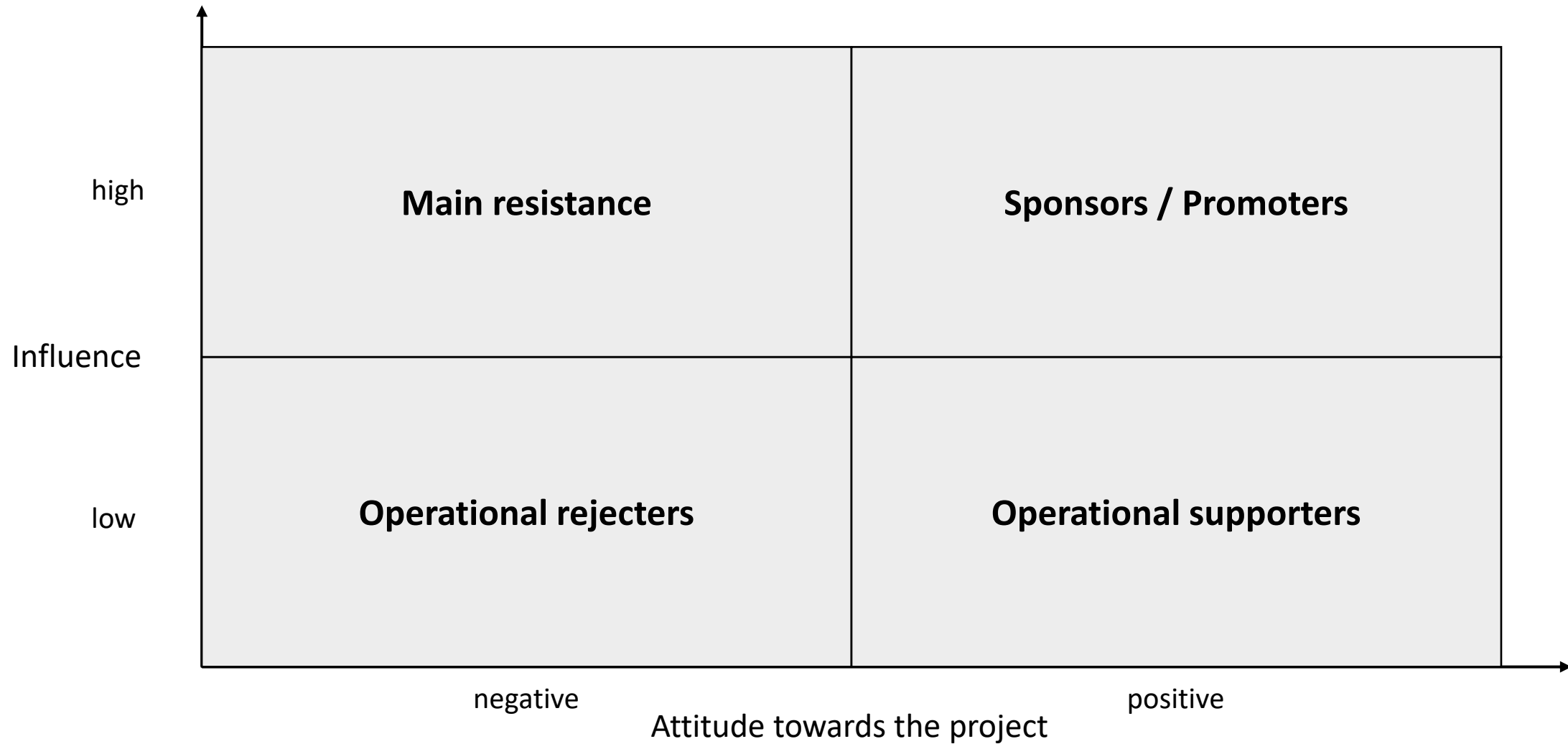
Step 3: Take actions

- Objective:
  - o Make the most of opportunities through the respective supporters
  - o Minimise risks through the project opponents

- Communication activities are important actions

Nr.	Stake-holder	Who informs?	When?	In which kind?	Content

- Different barriers must be considered

Knowledge barriers **Barriers of will**

"Over-demand" (skills deficits) *training*

"Ignorance" (information deficits) *informing*

"Unwillingness" (conflicts of interest) *balancing*

"Powerlessness" (inclusion deficits) *integrating*

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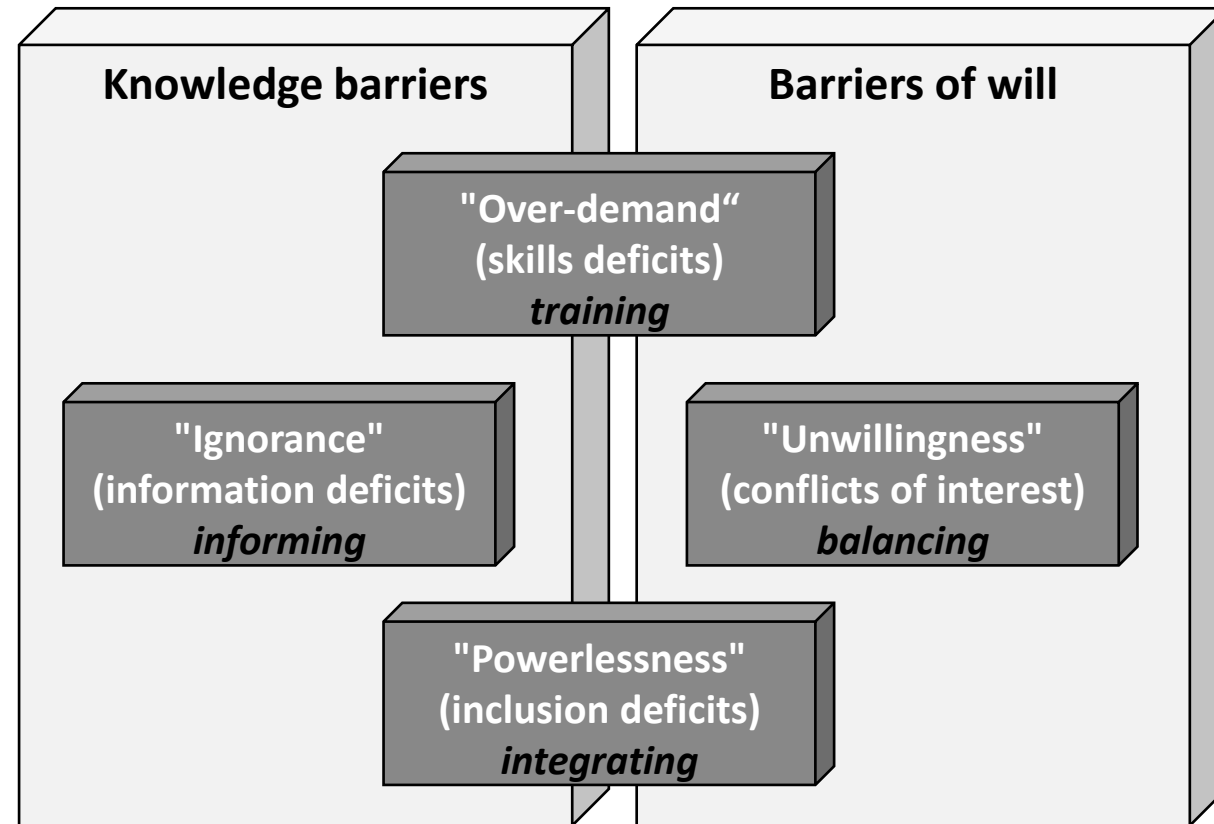
Aiming for behavioural change through communication

Scatter diagram plotting communication methods by intensity (10 to 10,000 on a logarithmic y-axis) against four categories on the x-axis: Superficial impulse, Clear signals, Trigger for rethinking, and Behavioural change.

Superficial impulse: Government newspaper, bulletin, Video/multimedia, Noticeboard, Advertising material

Clear signals: E-mail newsletter, Project newsletter, Project website, Mailing, Exhibition, Snowball principle, Intranet discussion forum, Top Management Speech, Information stand, Kickoff-meeting, Presentation of results, Personal letter

Trigger for rethinking: Employee survey, Major event, Organisational development, Information market, Training, Change controlling, Workshops retreats, one-on-one conversation

Behavioural change: Top-Management Commitment, Top-Management visits, Internal multipliers, Measuring systems, Communication success monitoring, Celebrate success, Project work
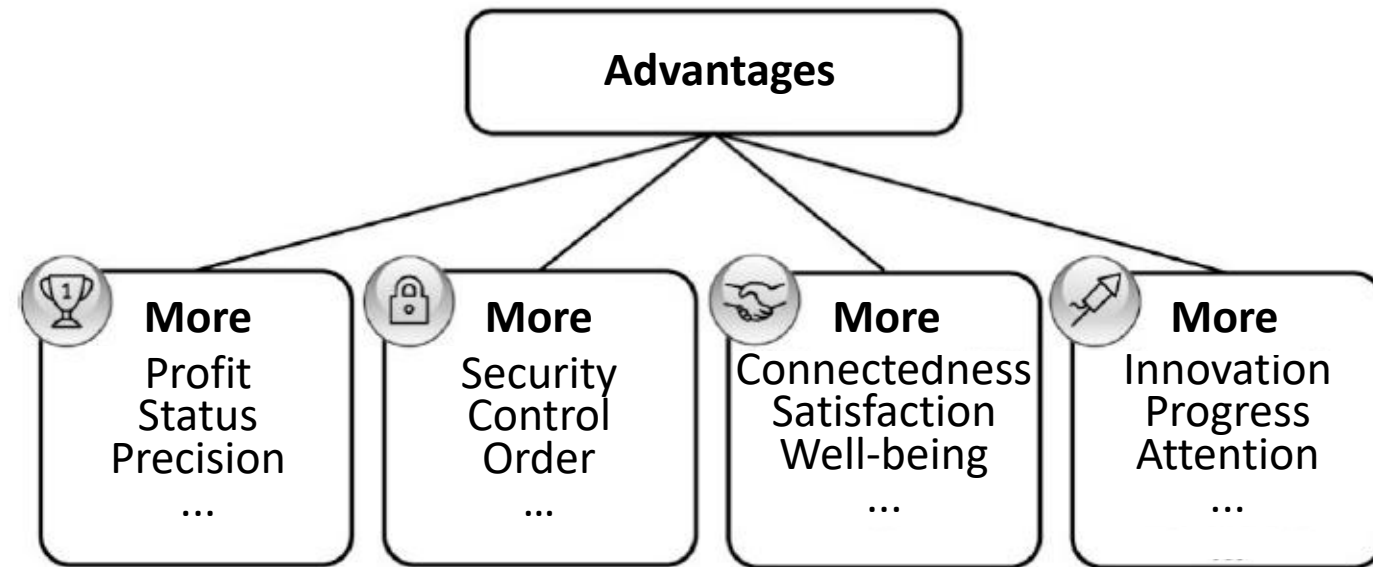
Limbic communication model as an aid

- Four limbic instructions are pronounced to different degrees in people

- As a rule, however, one instruction is dominant and decisive

- Profit
  - Does it make me stronger, better, more successful?

- Safety
  - Does it make my life safer, more reliable, more predictable?

- Connectedness
  - Does it bring social security and harmonious connectedness?

- Discovery
  - Does it help to discover something new? Is it exciting and varied?

Use limbic chain of reasoning in project work and convince everyone

- Winning argument

- Security argument

- Connectedness argument

- Discovery Argument

➤ With individual or homogeneous group: Focusing on the dominant argument possible

- In case of heterogeneous group or unknown:
fourfold coding, i.e. mental tour through all thinking styles

Advantages

More	**More**	**More**	**More**
Profit	Security	Connectedness	Innovation
Status	Control	Satisfaction	Progress
Precision	Order	Well-being	Attention
...	...	...	...

Limbic keywords to argue accurately

	Profit	Safety	Connectedness	Discovery
Verbs	increase profit optimize win achieve pays off tighten achieve	secure stabilize prevent check control guarantee plan keeping a grip on	make happy embellish coordinate connect deepen shine looking forward to love	enlarge enable promote inspire impress choose enthuse explore
Adjectives	lucrative well thought out first-rate leading precise	proven tested structured warranted sure	comfortable harmonious beautiful soft friendly	innovative flexible unique individual shrill

Step 4: Implement actions

- The defined actions must be implemented over the entire duration of the project.

- Support project marketing
  - Building trust and consensus
  - Informing stakeholders
  - Positive external presentation of the project

Step 5: Monitor stakeholders

- Regularly answering the following questions:
    - Is the list of stakeholders still up-to-date or are there other stakeholders to consider?
    - Are the stakeholder assessments still correct?
    - Do stakeholders react as planned to the defined measures or should they be adapted?

Identify → Analyse and evaluate → Take actions → Implement actions → monitor → Identify

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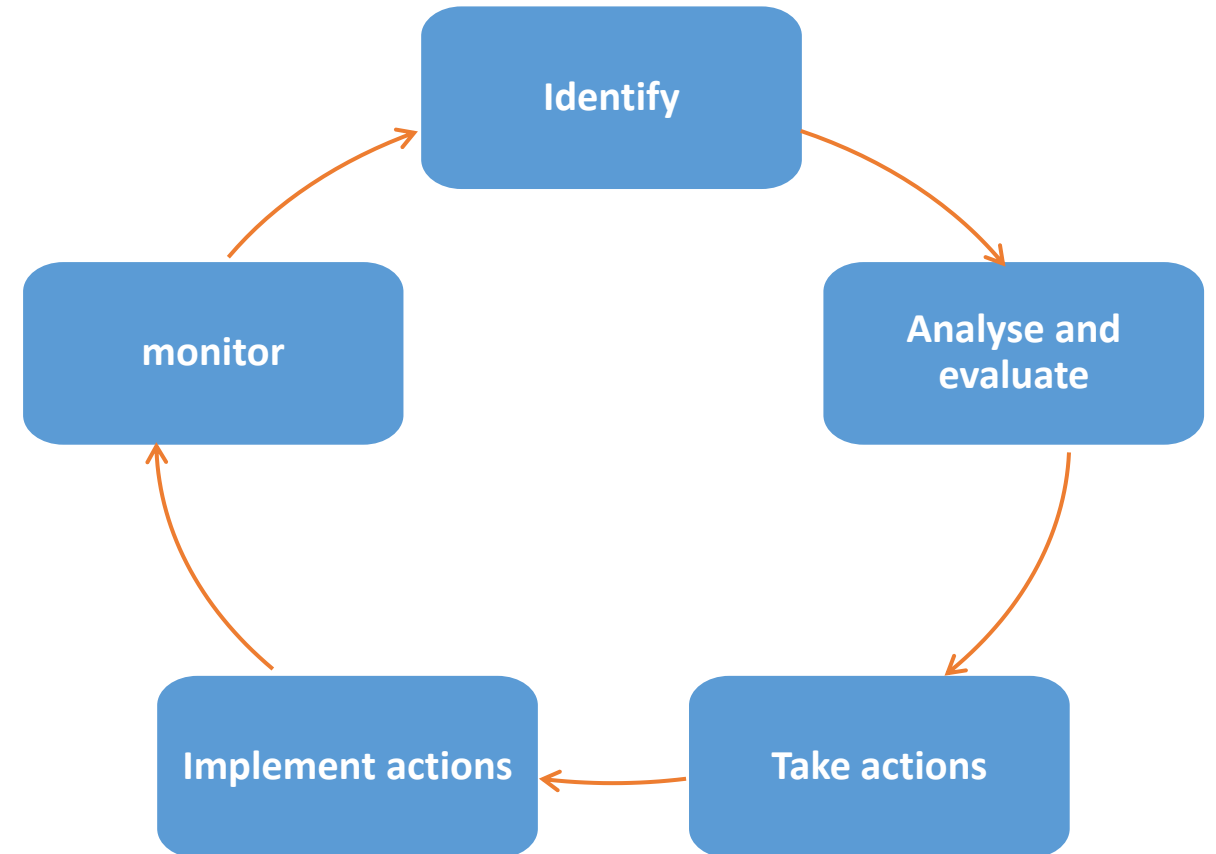
Record and visualise responsibilities with RACI matrix

- Many conflicts and misunderstandings arise due to unclear or differently understood responsibilities

RACI – Code		RACI Responsibility
R	Responsible	Responsible in terms of implementation responsibility. The person carries out the work package himself or delegates it.
A	Accountable	Accountable, authorised to make decisions, superordinately responsible in the sense of "approve", "endorse" or "sign". The person bears the legal or commercial responsibility.
C	Consulted	To be consulted. The person who may not be directly involved in the implementation but has relevant information for the implementation and therefore should or must be consulted.
I	Informed	To inform. The person who receives information about the course or outcome of the activity or who is authorised to receive information.

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Example of a RACI matrix

Work packages	Client	Project Committee	Project Management	Subproject Technology	Subproject Production	Subproject Marketing
Development attempts			A	R	C	I
Design prototype		A	C	R	C	
Create prototype	A	C	I	R	I	I
Preliminary clarification production			A	C	R	
Consulting construction	I	I	C	A	R	C
Advertising concept		A	I	C	I	R
Service concept	I	A	I	C	I	R
Economic efficiency	A	I	I	I	I	R