SOCIETY OF ACTUARIES

Article from:

Independent Consutltant

March 2009 – Issue 24

The Independent Consultant

Newsletter of the Entrepreneurial Actuaries Section   Issue No. 24, March 2009 | Published in Schaumburg, IL. by the Society of Actuaries

Actuaries
Risk is Opportunity.™

📄 Print-Friendly Article

🔍 Search Back Issues

Contents

Preferred Vendors Services Expanding!

If you haven't checked the Entrepreneurial Actuaries' (EA) Preferred Vendors site lately, now would be a great time to do so! Several new vendors have been added over the last month or so. These vendors can serve the interest of small business people and entrepreneurs. Some offer discounts to EA section members. To view a listing of vendors with a brief description of the services they offer, click here.

Entrepreneurial Actuaries Section

Officers:
David Axene, Chairperson
Sandor Goldstein,

Project Management: Sticky Situations
by Doris Orr

Project Management: Sticky Situations is a series of articles which will outline some sticky situations in the realm of Project Management (which can be applied to general management settings). These situations, if left unaddressed, may certainly result in the early demise of an otherwise healthy/successful project.

This first topic in the sticky situations series addresses the dangers of negative conflict within the project team.

Definitions
The definition of conflict from Wikipedia, the free encyclopedia, is: "when two or more parties, with perceived incompatible goals, attempt to undermine each other's goal-seeking capability." A clash of various factors including priorities and directions often sparks a conflict. Even when we say that there is a potential conflict we are implying that there is already a conflict of direction even though a clash may not yet have occurred.

So … be on the lookout for a clash to avoid the eruption of a full-blown (unpleasant) conflict. How? Read on …

What's really going on?—listen beyond the "noise" to get the real facts.
A negative team environment—often felt or seen in team members' poor behavior towards each other—is the visible display and/or symptom of the underlying issue. Severe poor behavior is the human way of letting the bubbling volcano erupt when aggravated.

To get to the root of the problem, you'll need to data mine (a good actuarial phrase!), or dig beneath the surface, to find out the aggravations.

Why does conflict occur?
One of the best things about project work is the diversity that is (almost) always a major component in having the right project team. Project teams are commonly comprised of people from different parts of the business, each with a different background, expertise/skill set and reason for being involved in the project. In international/global projects, different cultures and languages can intensify the differences. This diversity, which can be the best thing about a project can also

be the worst—or at least the trickiest—part of a fabulous project team.

The process of level setting—or, as my Swiss colleagues love to say "establishing a common understanding"—is absolutely critical in the early formative stages of setting up a team. The diversity, which is critical for the success of the project, needs to be respected and the commonality of the project's purpose needs to become the common foundation that everybody focuses on. The more solid this common foundation at the onset of the project, the better the chances of project success when inevitable obstacles arise.

Lack of clarity is another cause of conflict. If you've got a team of really motivated stars, but they don't have enough understanding as to their respective roles, this can cause many, many unnecessary clashes. Stars are often leaders, and naturally want to direct a project. Yet a project can only have one overall leader, and the star's role on a project may be perceived to be a subservient one that he or she has not occupied for many years. Clear understanding of deliverables, timelines, budgets, your project's guiding principles, and each person's level of autonomy are just some of the areas that need to be clearly defined and understood by all. Creating crystal-clear clarity in the planning phase may seem laborious (and to some it may seem like a waste of valuable time and energy), but investing in clarity around roles and responsibilities pays huge dividends as the project progresses. Believe me, I've learned the hard way that it is just not worth it to rush into the project deliverables without establishing these foundational rules upfront.

Differing measurement criteria of progress can also be a fundamental cause for conflict. Time and budget are usually the project manager's main concerns whereas 100 percent accuracy may be the only acceptable standard for the actuary on the team. This difference needs to be addressed upfront so that everybody agrees to the same success criteria.

Project delays caused by obstacles and/or poor planning are another big reason for clashes and ultimately eruptive conflict. Delays can unfortunately easily lead to finger pointing and "us and them" self-preservation tactics. No one wins with this approach but somehow people seem to feel better when they can play the blame game. NOT FUN, believe me!

The list of causes for conflict goes on and on…but this gives you some indications of the main drivers to eruptive conflict.

Ways to deal with conflict
The conflict matrix below (developed by Thomas Kilmann and used for the last three decades in conflict management) indicates various ways in which conflict is handled. You'll quickly see that some ways of handling conflict are less effective than others. Collaboration (win/win solution focus) is the optimal way to address conflict to ensure a healthy/enriched project environment. Accommodation and/or compromising may be necessary short-term ways to deal with acute team impasses, but will not sustain a healthy project in the medium- to long-term.
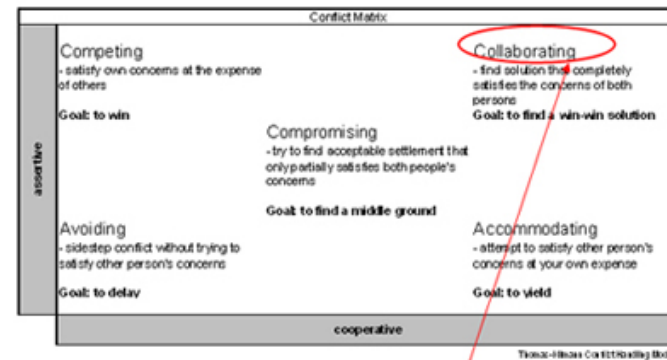
Resolving conflict within your project team—using win/win collaboration
Bring the troops together! Open up the floor to listen to frustrations! As project manager, create a safe harbor for team members to voice their frustrations; everybody has to be given the opportunity to voice their concerns. This process is a big part of the data mining that will uncover the root cause of the conflict. If you—the project manager—do not have the right skill set and/or rapport with the team to obtain this open feedback, then consider delegating this important assignment to someone you trust and that you know has the right skill set.

Remember, everybody wants to be part of a winning team
Use the root causes to develop the solution. Work together with your team to identify the best solutions to address the root causes of the clashes and the conflict. Here are some examples of solutions addressing root causes I've seen over my many years of project management:

* Silo approach/not understanding enough of the big picture for context. Solution: have periodic, i.e., bi-weekly project-wide, meetings so that everybody has a chance to understand how their piece fits into the bigger puzzle.
* Long-term project which seems to lose its intensity and excitement. Solution: identify and celebrate short-term milestones to get energy focused on sprinting (i.e., working hard for a short goal) and then rewarding this achievement. Make a big deal of the wins as this creates positive energy and excitement and cohesiveness for the team's win.
* Us/them blame game. Solution: create a communication forum (e.g., weekly meetings) of the heads of the respective us/them factions to solve project problems together.
* Problem focus. Solution: empower team members to offer solutions to each problem that they raise; reward this effort through acknowledgement even if the solution is not implemented.

Some final thoughts
Differences are healthy, but need to be carefully managed. Make your team's diversity a project strength, rather than the cause of your project's failure.

Focus on the common value proposition, i.e., the benefit, that will arise as a result of a successful project.

As an ongoing health-check, remind yourself what it felt like and looked like in the heat of the conflict crisis. If you sense that the project team is experiencing a clash and is headed in the direction of conflict again, then bring the troops together to sort things out before negative behavior starts to undermine your project again.

You may also wish to periodically ask some project members what their perception is of the overall project health and then proactively address the issues as they arise.

Look for the next article in this series in a future issue.

Doris W. Orr, CA, is SVP project director for XL Capital. Her passion is to add value and to help others get excited about adding maximum value in order to ignite their career paths. Through experience gained from running many projects—both large and small—and from working abroad for various years, Doris provides practical insights on how to increase your value—one second at a time. She can be reached at doris.orr@xlgroup.com.

[return to top]