Follow the road to EDEN

Good intentions alone do not pave the road to success. Eden District Municipality, determined to make project management a strategic strength, can now provide a 12-point action list for other organisations to follow.
By CHRIS BROWN and MC BOTHA

Many organisations today need the capability to manage projects effectively. But, setting up the capacity – the right systems, methods and people – in an organisation requires some resolve. The *implementation* of, or *preparation* for, project management in an organisation is an effort in its own right.

Textbooks and training courses that promise to turn out perfect project managers abound. And proponents in the field are quick to convince organisations that once staff members have mastered the right tools, they will start bringing key projects home within budget, within deadlines, and within technical specifications.

Such claims can be highly misleading, as they are usually based on the assumption that the doctrine of project management is already established in the organisation. It is too often assumed that the organisation is ready and waiting to support newly trained project managers in their efforts to get the organisation's projects on their way. This may not be the case, however. If the organisation is functionally structured and work processes are largely concentrated in silos of specialisation, the assumption may be very wrong.

The *differences* between functionally specialised routine work and multifunctional project work are both dramatic and subtle. These differences are dramatic enough to cause serious integration problems that will inevitably result in late, over budget and poor quality projects. They are also subtle enough to leave top management in the dark about what actually went wrong when projects fail.

The blame for failure does not always lie with project managers; it often lies with the organisation's incapacity to adjust to the change from functional to project work. Inexplicably, textbooks and training curricula ignore the *organisational phasing-in dimension* of project management. The result is that organisations jump in at the deep end, often with troublesome consequences.

This situation motivated the University of Stellenbosch Business School (USB) to undertake a research project. The findings led to practical guidelines for implementing project management in a functionally structured organisation. The subject studied was a local authority, but the findings are applicable to any functionally structured organisation. ▶

Exploring the problem

The research discussed here started as an MBA research project with the aim of designing a strategy to implement a project management capability in a district municipality. Subsequently, the strategy proposed by that study was used to guide the real-life implementation of project management in the Eden District Municipality, seated in George. This practical opportunity was seized as an ideal case study for recording the problems encountered and the techniques deployed to overcome them.

Valuable lessons were learnt. The process, as was expected, turned out to be complex. The desired interaction between municipal departments did not occur automatically, nor did functional specialists show a natural enthusiasm to work on cross-functional tasks. Therefore, the capability to manage cross-functional projects had to be skilfully engineered.

The learning gained from this case study has been converted into an action list. The list contains twelve imperatives, or pointers, for implementing project management in a functional organisation.

12 pointers to successful project management

1. Get firm commitment from top management

Visible support from top management is essential.

Even though, in the case of the Eden District Municipality, the process was initiated and driven by the municipal manager himself, it was necessary to re-establish the commitment of the rest of top management on a regular basis. Because a local authority comprises a functional as well as a political top management component, it was essential to secure the buy-in of both.

2. Appoint a mentor

It is advisable to bring in appropriate expertise to facilitate the process.

Very early, the Eden Municipality realised that it would require external assistance to supplement its existing capabilities in project management. An experienced person was appointed as a mentor to provide independent advice and support to the leader of the implementation process. The mentor also served as an objective evaluator of progress, and facilitated the regular progress meetings held.

3. Establish a project management steering group

Project management needs strong executive-level representation to deal with strategic decision-making.

At Eden, varied opinions about the best approach for implementing project management hampered progress at first. By establishing a Project Management Steering Group, which functioned under the auspices of the municipal manager's office, the ideas could be consolidated. The steering group consisted of senior heads of departments, project managers and the mentor. Together, they developed the procedures and principles for implementation. As an added benefit, the group served as an integrating force that maintained the momentum when organisational conflicts threatened to sink the process.

4. Manage the implementation phase as a project

The implementation of project management as a capability is an *ad hoc* activity and should be carried out concurrently with, and without disrupting the flow of, day-to-day activities.

Eden recognised early in the process that the implementation phase had to be managed as a project, complete with a project leader, a defined activity structure, schedules, a budget, and formally assigned resources.

5. Include a change management process

The multi-disciplinary (cross-functional) nature of projects is a significant departure from standard single-function work processes. Because such far-reaching organisational change is usually met with high levels of resistance by affected parties, this change must be consciously addressed.

Eden encountered several elements of resistance within the organisation and was impelled to include a change management sub-project. The change management programme had to be managed meticulously to overcome the more persistent areas of resistance.

6. Adapt the organisation structure

Municipality policy, as a rule, provides for work delegation and budget allocation only within the jurisdiction of functional departments. In contrast, true cross-functional project management requires *project managers* to be in control of resources (assigned from departments), and to assume responsibility and be held accountable for project budgets.

Eden had to pass special resolutions to change the organisation structure in order to make formal provision for project manager positions and remuneration structures, and to delegate decision-making and expenditure authorities to these positions.

7. Adapt the financial management systems

Standard organisational accounting systems rarely have the capability to measure typical project management performance factors. Moreover, the budgeting methods prescribed by the Municipal Finance Management Act of 2003 do not cater for the activity-based cost management of projects.

Eden had to come up with special practical procedures to be able to handle the shift from functionally based cost reporting to activity-based cost reporting for project work, while still remaining compatible with the munici-

pality's financial management system and with the Act.

8. Shift functional staff paradigms

Certain work mindsets, although they may be ably suited to the functional organisation, stand in the way of the smooth management of projects.

Eden encountered a number of problems. Firstly, staff members found it hard to understand that for the purpose of executing project tasks, the functional hierarchy is of little consequence. Project leaders may, hierarchically, be more junior than some of their team members, yet have to be in charge. This practical situation requires a so-called 'low hierarchy awareness'.

Secondly, the dual-reporting situation (the two-boss syndrome) was a dilemma. Clear role definitions had to be drawn up for team members to help clarify the ambiguity resulting from the concurrent horisontal (project) and vertical (line) demands on their time.

The third difficulty was for functional specialists to accept that a task allocated to them as part of a project is not a goal in own right, but is subordinate to the overall project goal. The mind shift had to be made by functional staff to see themselves, in this case, as the mere suppliers of expertise or services and not the ultimate controllers of their project tasks.

Eden employed strong motivational interventions to condition functionaries to these changed emphases. Functional heads, fearing that the adjustment in their roles would erode their authority, were inclined to feel threatened. However, once they became accustomed to their adapted roles, they re-focused their attention on the prime task of developing the expertise in their departments, instead of competing for the control of project tasks and duplicating the time and effort spent on daily project chores.

9. Promote a teamwork culture

The individual character of functional work often constrains proper teamwork. To achieve effective teamwork, members need to cross-participate fully and have the benefit of free access to information across the boundaries of functional silos.

Eden overcame the problems that arose from its lack of teamwork experience by holding dedicated training sessions and team-building exercises.

10. Provide career security to project managers

Project managers, too, may feel threatened. They are called upon to relinquish the security of functional careers in order to accept the unknown territory of project manager roles. At the same time, the shift implies switching from technical to managerial responsibilities. Career uncertainties like these are likely to have a disruptive impact on the motivation of new project managers.

This was the case in Eden. Project managers, feeling insecure about their limited experience and training, and also their career prospects, accepted their new roles without the necessary confidence and assertiveness. As a result, they applied project management techniques rather haphazardly. Eden initially overlooked this as a potential problem, but soon realised they had to provide more support to project managers and had to reassure them about their careers within the organisation.

11. Carefully select and use pilot projects

It is necessary to convince senior staff members that project management is indeed advantageous to the organisation.

Eden identified five new initiatives within the ambit of the municipality and used them as pilot projects in order to demonstrate the functioning of project management. These projects served as a laboratory for customising the standard methods, taught during training, into a specific *modus operandi* for the organisation.

The procedures thus developed were formalised into what has become known as the 'Blue Book' – a guide for project management in Eden. The appointed mentor played an important role in aligning this process with generic project management principles and best practices.

12. Establish conflict resolution procedures

Lastly, project management, as a cross-functional process, shares resources with functional departments and hence the organisation is bound to run into conflicts over the allocation of resources.

Soon after Eden introduced its pilot projects, conflicts between line and project managers over task priorities and resource allocations started to disrupt progress. The Project Management Steering Group had to intervene and put a conflict resolution procedure in place to diffuse the frequent energy-sapping tugs of war. ■