Strategic project management and strategic behaviour

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Abstract

Strategic projects are crucial to the implementation of strategies. Besides the analytical difficulties of managing strategic projects these are perhaps overshadowed by behavioural difficulties. Research into the strategic behaviour at BT has identified several techniques for managing the behavioural issues facing strategic projects more effectively. These techniques include: cause of behaviour analysis, personal and strategic agenda analysis, behavioural scenarios and difficulty, energy and frustration over time curves. © 2000 Elsevier Science Ltd and IPMA. All rights reserved.

1. Introduction

In “Strategy Implementation and Project Management” [1] I argued that there were close affinities between strategy implementation and project management. In that article, I imported a number of tools from strategic management, value management and from organizational change to enrich project management techniques.

These included:

- The five forms of strategy—and the strategy mix
- The notion of a set of strategic projects (the ‘strategic project set’)
- ‘Fishbone’ or root cause analysis
- How–How analysis
- From–To analysis
- Force field analysis
- Stakeholder analysis
- Attractiveness–implementation difficulty
- Assumption analysis/uncertainty
- Importance–urgency analysis

These techniques deal primarily with the more analytical aspects of strategy implementation. Recent research (in collaboration with Robin Wensley at Warwick Business School) has led me to the conclusion that equally important are the behavioural aspects of strategy implementation. Practising managers will easily recognise that the conduct of strategy itself is a battleground, given the considerable turbulence which surrounds both external and internal strategic moves. Strategic projects, however well intentioned, become easily buffeted by strategies which are highly emergent and unpredictable. The more difficult of the influences are frequently behavioural in nature. There appears to be great merit in incorporating techniques for surfacing behavioural issues in project management, especially for the more strategic projects.

But first we need to define ‘strategic behaviour’. This is defined as:

“The cognitive, emotional and territorial interplay of managers within (or between) groups when the agenda relates to strategic issues.” [2]

Our definition of strategic behaviour stresses the extent to which cognitive, emotional and territorial perspectives and agendas of managers are interwoven. We are thus more able to understand those aspects of strategy implementation which are perhaps less easily discussible by managers. This difficulty could be due either to the fact that they involve power (whether manifested through offensive or defensive behaviour, or through alliances) or because of emotional sensitivities.
Two examples of strategic behaviour include:

- A financial services company is trying to reduce its business complexity from fifteen to five strategic business units. One of the directors raises semi-spurious reasons for retaining one business unit even though the balance of evidence is clearly against remaining in it. The debate gets messier and messier, with less and less agreement and more and more frustration. The director coils his arms and legs and slumps into defensive non-verbal behaviour. He has not, and will not reveal his underlying personal agenda which is to save the embarrassment of going back to the managers who have put their very trust in him, to defend their case, and their jobs.

- A retail company is undertaking scenario development. One manager invited because of his technical knowledge becomes more and more grumpy. He is moody because the subject matter is too broad to help him on his own very specific functional issues. The rest of the team confront him with the problem, and one says: “If you really don’t see this as adding value to you personally, feel free to leave”. He did, and the team then began to make progress again.

The two examples above illustrate the profound effect of behaviour on the evaluation of strategy. One might indeed characterise the first example of one of “Managers Behaving Badly”, except that would be too normative. Certainly the word ‘dysfunctional’ seems applicable to the first example and partially also to the second example.

Whilst strategy formulation is clearly of some emotional and territorial sensitivity, this is likely to be greatly magnified during strategy implementation. For during strategic action, strategy creates turbulence in the everyday fabric of the organisation. Frequently the main vehicle for that strategic action is the Strategic Project, and it is precisely here that much behavioural turbulence (or ‘BT’) is felt.

Coincidentally, our research site was British Telecom (BT). The study focused on the strategic behaviour of a senior team within BT whose remit was to understand the implications (market and technological) of major changes in BT’s external and internal environment. This key department was charged with defining strategic projects which would then form a central plank of BT’s technological migration. As these projects had a multi-business impact they were frequently fraught with complexity—not merely at a territorial level but also organisationally.

The study examined the team’s patterns of strategic behaviour whilst discussing these strategic projects over a period of several months. This was part of an action research process, the main point of which was to see if managers could harness their strategic behaviour more effectively than before. The study produced some most interesting and positive behavioural shifts suggesting that there is at least some potential elsewhere for increasing the degree of harmony of strategic behaviour. This shift may or may not directly result in measurably improved team performance (as other variables are likely to intrude). However, at least this study gives us a first stage in exploring how strategic behaviour might ultimately impact on individual and business performance.

Indeed, the BT team found that a number of tools (contained in this paper) were extremely useful for helping them cope with their own behavioural issues, as they set about crystallising these strategic projects.

This paper is split into three main parts:

- A quick overview of past literature on strategic behaviour (drawing out implications for strategic projects)
- Techniques for understanding strategic behaviour
- Illustrations from the BT research
- Lessons and conclusion.

2. A quick overview of past literature on strategic behaviour

Prior to this research there have been relatively few field studies explicitly focusing on strategic behaviour. For example, Johnson [3] says:

“It is perhaps surprising that . . . there are so few systemic (systematic) studies of the way in which the interaction of individuals contributes to strategic decision-making.”

As mentioned in my previous paper, [1] it is widely accepted that managers tend to make strategic decisions in an incremental fashion, often making the end result look somewhat disjointed, with limited logic. [4] Strategic projects suffer from the same difficulty, making it arduous to manage interdependencies or to establish coherent programmes to steer implementation over time.

Management decision-making has been characterised as having ‘bounded rationality’ [4] or focuses on ‘muddling through’. [5] In its extreme form, ‘decisions’ cannot easily be detected at all. [6] Even when they are made, they are often subject to a half-hearted or ‘weak implementation’. [7]

Although organisational learning might hopefully come to the rescue, [8] sadly this is very likely to become bogged down in defensive routines, [9] especially where strategic projects threaten existing territorial barriers and existing organisational mind-sets.
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