LEADERSHIP FOR PROJECT MANAGERS

Course Material

Leadership is the ability that one has to get others to follow and perform work activities to accomplish a set of objectives. In order to accomplish this, the project manager must be able to influence project stakeholders he or she does not have direct authority over. This 2-day course is designed to provide project managers with concepts and techniques to lead projects using well-known leadership principles and techniques. Participants will learn to recognize various organizational structures a project manager performs in, describe various leadership characteristics and styles, and demonstrate the use of communication as a leadership tool.

The course is designed for project managers or business associates who lead project efforts within their organization.

The goal of this course is to learn leadership principles and use techniques to lead projects when little or no authority has been delegated to the project manager.

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Course Agenda

Day 1		Day2	
8:30 – 9:00	Personal Introductions	8:30 - 9:00	Review
9:00 - 10:00	What is Leadership?	9:00 - 10:15	Leadership Styles and Models
10:00 - 10:15	BREAK	10:15 - 10:30	BREAK
10:15 - 11:15	What is Leadership?	10:30 - 12:00	Communication as Ldrshp Tool
11:15 - 12:00	PM as Organizational Leader	12:00 - 1:00	LUNCH
12:00 - 1:00	LUNCH	1:00 - 1:30	Communication as Ldrshp Tool
1:00 - 1:30	PM as Organizational Leader	1:30 - 2:15	Leading the Project Team
1:30 - 2:00	Leadership Styles and Models	2:15 - 2:30	BREAK
2:00 - 2:15	BREAK	2:30 - 3:30	Leading the Project Team
2:15 - 4:00	Leadership Styles and Models	3:30 - 4:00	Exam and Evaluation

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LESSON 1: WHAT IS LEADERSHIP

Topic 1: Defining Leadership

Topic 2: Traits and Characteristics of Leaders

Topic 3: Leadership Styles

Topic 4: Leadership and Management Compared

Student Learning Objectives

After completing this lesson you should be able to

- Discuss various definitions of leadership
- Identify what leadership traits and characteristics fit the project need
- Describe how leadership differs from management

Approximate Presentation time: 1.5 hours

Topic 1: Defining Leadership

Your Leadership Journey Begins Today

The subject of leadership and becoming a leader is perhaps one of the most researched and written about topics. Many seek it out, others have it thrust upon them. Some claim people are "born" leaders, while others say that leaders are "developed". For the project manager, leadership is an essential skill to master along with the other skills needed to successfully deliver a project to your stakeholders. We will discover various definitions of leadership, traits and styles of leadership, along with methods to use on your projects. And hopefully, you will come to your own conclusion as to what leadership is and what makes a leader.

At some point in your life you may have been told, "Give the world the best you have and the best will come back to you". You may have thought you knew what that meant. Either you gave your best or you didn't. First, you went to school and worked hard to get good grades. Then, once you got a job, you arrived on time and worked hard. From there, the best would come back to you, as a paycheck or a sense of pride in your accomplishments. But you are wrong!

Think about the most exceptional people you know. The ones who kept going when others quit; the ones who found ways to do what everyone else thought could not be done. They didn't just hold down a job or work hard, they reached deeper inside and found something more. They made a difference.

People will tell you, study hard and work hard but don't let your dreams get too big, you'll just get disappointed; learn to fit in and go along. That's what successful people do. THIS IS A LIE!
Every day you can learn something more about who you are and all the potential that's hidden inside you. Every day you can choose to become more than you have been. How? Look inside yourself. Test new possibilities. Search for what matters most to you. Become the most curious person you know and keep asking yourself; what is my best? Keep finding more of it every day to give to the world.

The mind-set of limitations still persist today, blocking us from our greatest possibilities. It seems that no matter how hard we work, no matter how much we give, we're still not getting what we hoped for. There is another way.

The next frontier is not only in front of you, it is inside of you. You have vast hidden potential and a destiny beckoning to be lived. Start your journey today.
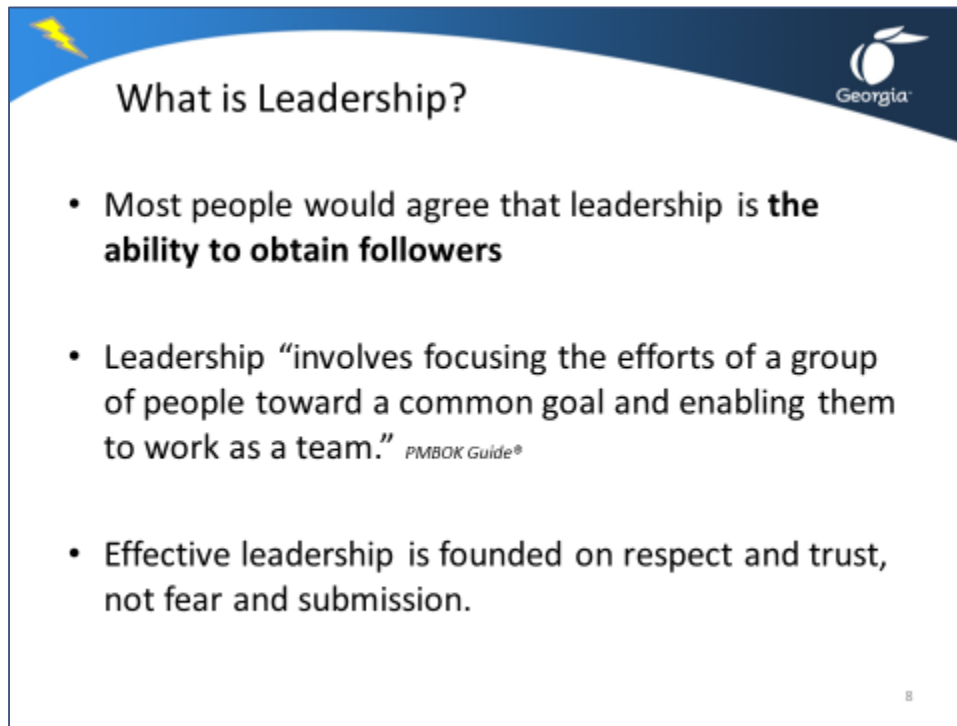
There is no passion to be found playing small –
In settling for a life that is less
Than the one you are capable of living. – Nelson Mandela

Excerpts from Robert Cooper's book *The Other 90%*.[1]

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[1] R. Cooper, *The Other 90%* (New York, Crown Business, 2001), pxii-xiv, pxvii

Topic 1: Defining Leadership

Trying to define leadership can be challenging. Many people see leadership in many different ways. However, most people would agree that leadership is the ability to obtain followers. In order to obtain followers a leader must encourage others to follow them. This section discusses a few modern day definitions of leadership.

The *PMBOK® Guide* states that leadership "**involves focusing the efforts of a group of people toward a common goal and enabling them to work as a team. In general terms, leadership is the ability to get things done through others**."[2] Later in this definition, it is believed that effective leadership is founded on respect and trust, not fear and submission.

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[2] Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide) – Fifth Edition, Project Management Institute, Inc., 2013 p*

Topic 1: Defining Leadership

Wikipedia defines leadership as "**a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task**". For example, some understand a leader simply as somebody whom people follow, or as somebody who guides or directs others.[3]
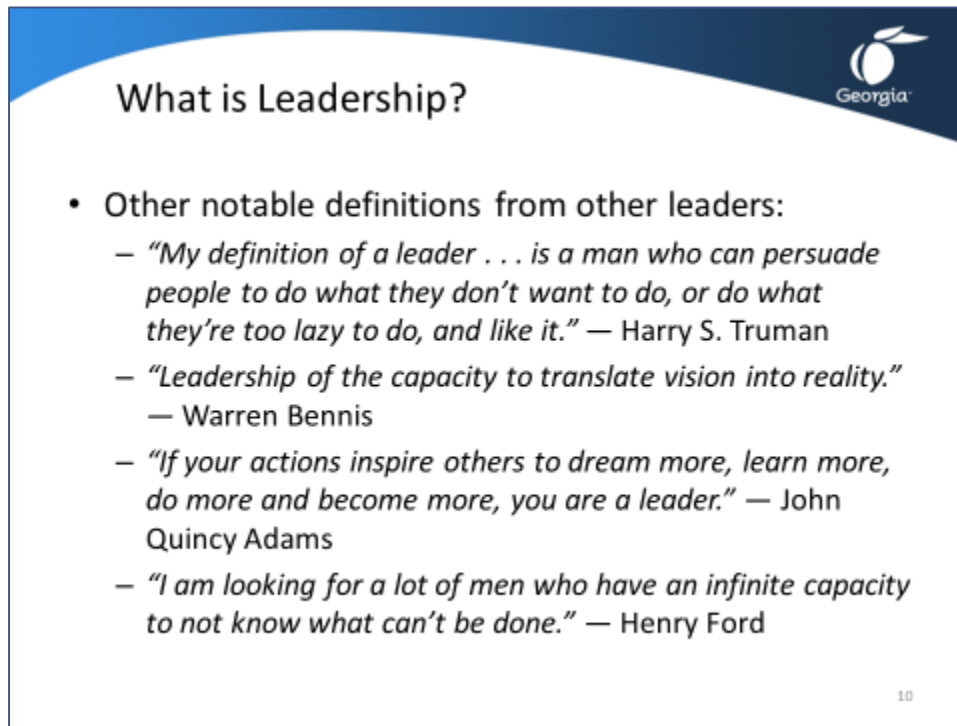
Kevin Kruse expands on these definitions by surmising that leadership is "**a process of social influence, which maximizes the efforts of others, towards the achievement of a goal**."[4] Notice the key elements in this definition:

- Leadership stems from *social* influence, not authority or power
- Leadership requires others, and that implies they don't need to be "direct reports"
- No mention of personality traits, attributes, or even a title; there are many styles, many paths, to effective leadership
- It includes *a goal*, not influence with no intended outcome

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[3] http://en.wikipedia.org/wiki/Leadership
[4] http://www.forbes.com/sites/kevinkruse/2013/04/09/what-is-leadership/

Topic 1: Defining Leadership

Here are some other definitions from well-known leaders from around the world and throughout history:

- *"My definition of a leader . . . is a man who can persuade people to do what they don't want to do, or do what they're too lazy to do, and like it."* — Harry S. Truman, More Plain Speaking

- *"Leadership is a two-way street, loyalty up and loyalty down. Respect for one's superiors; care for one's crew."* — Grace Hopper, Admiral, U. S. Navy (retired), Speech, Washington, D. C., February 1987

- *"The first job of a leader is to define a vision for the organization…. Leadership of the capacity to translate vision into reality."* — Warren Bennis, President, University of Cincinnati, University of Maryland symposium, January 21, 1988

- *"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."* — John Quincy Adams quotes (American 6th US President (1825-29), eldest son of John Adams, 2nd US president. 1767-1848)

- *"I am looking for a lot of men who have an infinite capacity to not know what can't be done."* — Henry Ford

- *"As for the best leaders, the people do not notice their existence. The next best, the people honor and praise. The next, the people fear; the next, the people hate."* — Lao Tse, 604-531 B. C., Chinese philosopher and founder of Taoism, Tao Te Ching[5]

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[5] https://www.legacee.com/potpourri/leadership-definitions/

Topic 1: Defining Leadership

What Leadership is not

Leadership has nothing to do with one's position in the hierarchy of a company. Too many talk about a company's leadership referring to the senior most executives in the organization. They are just that, senior executives. Leadership doesn't automatically happen when you reach a certain pay grade.

Leadership has nothing to do with titles. Similar to the point above, just because you have a C-level title, doesn't automatically make you a "leader." You can be a leader in your place of worship, your neighborhood, in your family, all without having a title.

Leadership has nothing to do with personal attributes. Say the word "leader" and most people think of a domineering, take-charge charismatic individual. But leadership isn't an adjective. We don't need extroverted charismatic traits to practice leadership. And those with charisma don't automatically lead.

Leadership isn't management. This is the big one. Leadership and management are not synonymous. You have 15 people in your down-line and P&L responsibility? Good for you, hopefully you are a good manager. Good management is *needed*. Managers need to plan, measure, monitor, coordinate, solve, hire, fire, and so many other things. Typically, managers manage *things*. Leaders lead people.[6]

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[6] http://www.forbes.com/sites/kevinkruse/2013/04/09/what-is-leadership/

Topic 1: Defining Leadership
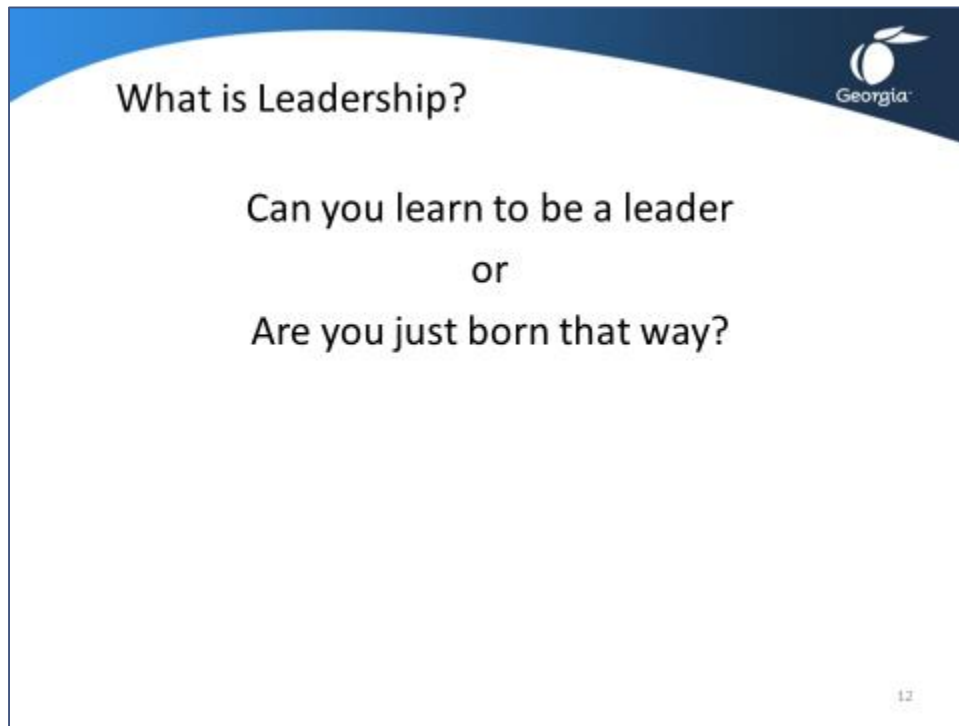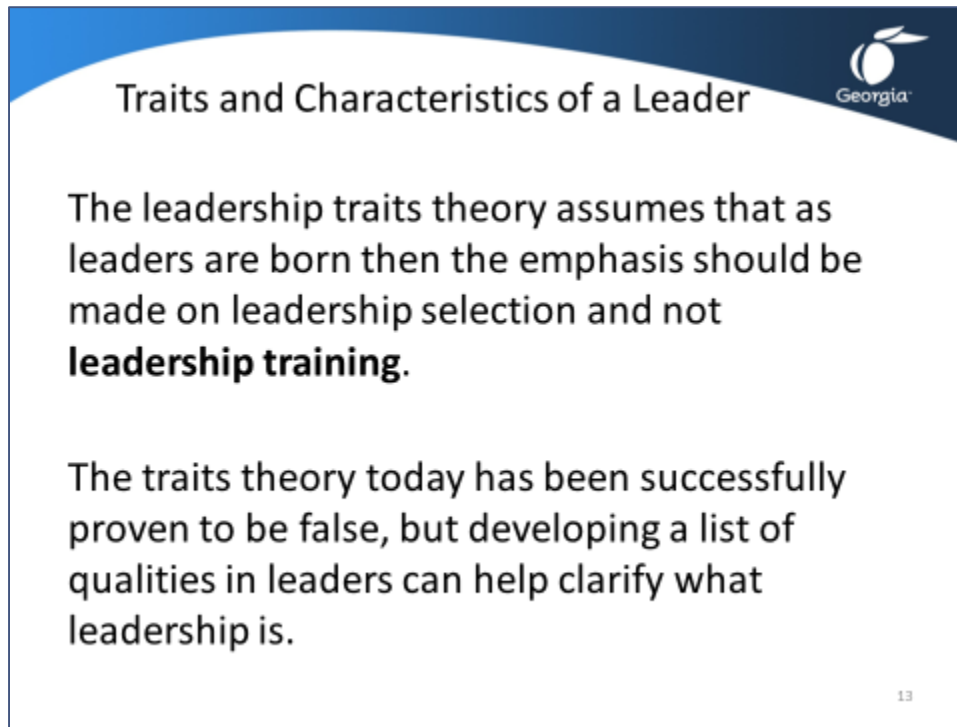
Project management leadership is an integral part of the successful completion of project objectives. In his book *Project Management Leadership: Building Creative Teams*, Rory Burke discusses a portfolio of skills the project manager should possess to accomplish their work. These are Technical Management, Project Management, Project Leadership, and Project Entrepreneur. He goes on to state *" to be effective and successful project managers must not only demonstrate good administrative skills and technical know-how, but also practice an appropriate style of leadership to lead and manage the project team…"*[7]

This then begs the question, what makes a leader effective and can I learn how to do this or am I born that way. Are there characteristics or traits that I need? How do I get these traits?

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[7] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p223

Topic 2: Traits and Characteristics of Leaders

This concept of Leadership Traits gave rise in the past to the notion that "leaders are born and not made". It was this set of traits that identified someone as a leader. Scholars around the world have produced list after list of personality traits and characteristics to describe these natural born leaders, but the lists are very extensive. The leadership traits theory also made the assumption that as leaders are born then the emphasis should be made on leadership selection and not leadership training.

The traits theory today has been successfully challenged and proved to be false, but we do not want to dismiss the theory altogether. Developing a list of qualities in leaders can be useful and helps to quantify and clarify what leadership is.[8]

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[8] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p224

Topic 2: Traits and Characteristics of Leaders

What do you look for in a leader? In other words, what values (personal traits or characteristics) do you want a leader to have? From the list below, select four traits you feel are important for a leader to possess.
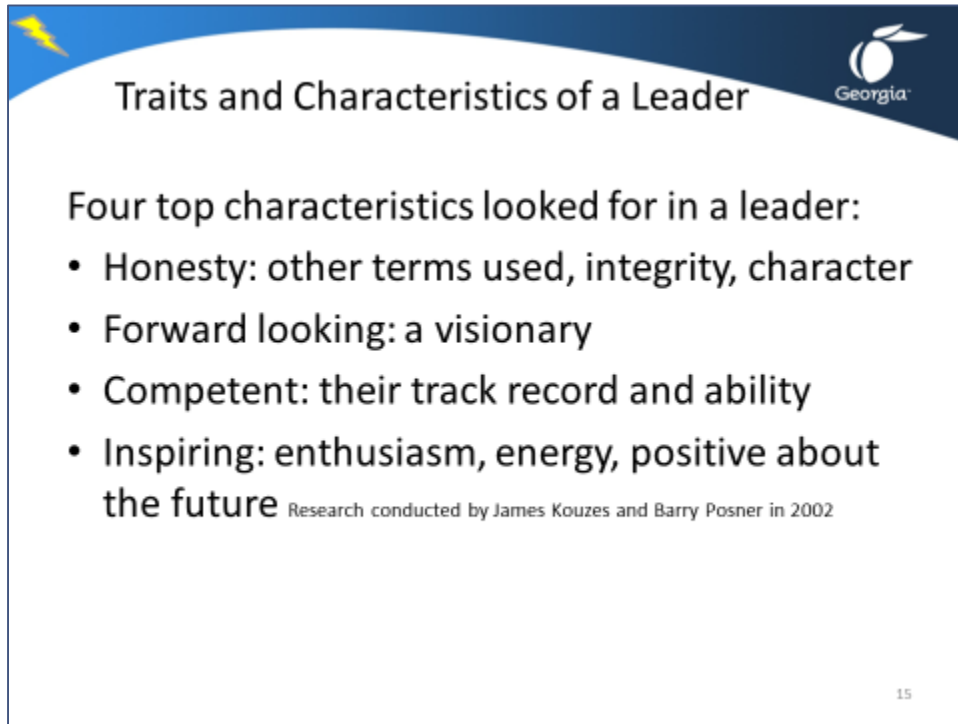
Characteristic	Rank	Characteristic	Rank
Honest		Dependable	
Forward-looking		Ambitious	
Competent		Courageous	
Inspiring		Self-controlled	
Intelligent		Loyal	
Fair-minded		Caring	
Supportive		Straightforward	

Research conducted by James Kouzes and Barry Posner in 2002.[9]

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[9] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002), p25

Topic 2: Traits and Characteristics of Leaders
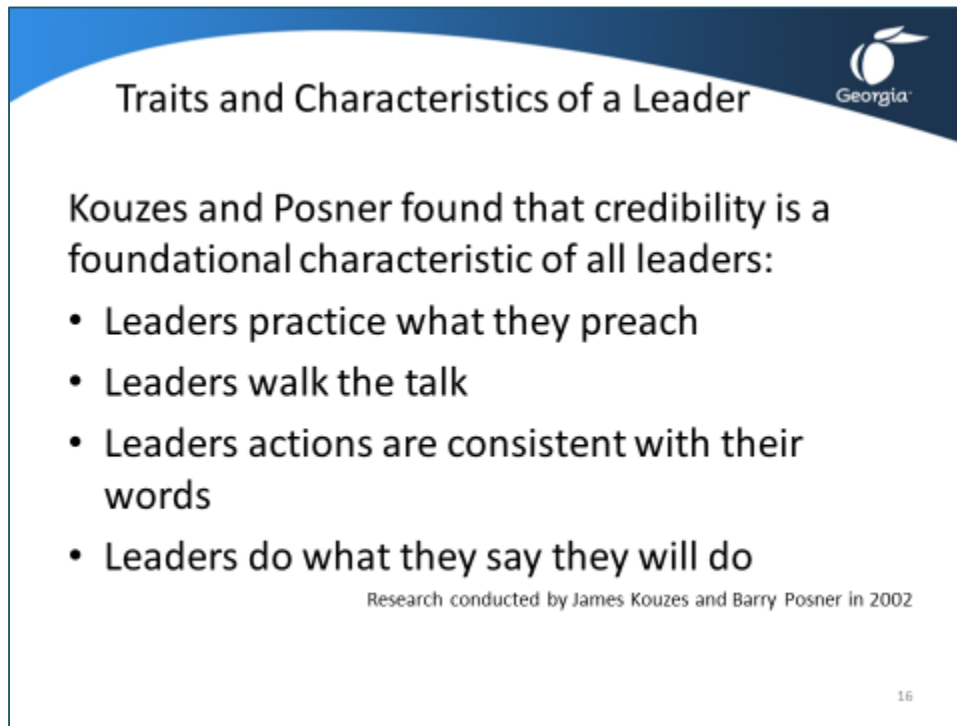
What do you look for in a leader?

- **Honesty:** Many times the words "integrity" or "character" are used as well. People want to follow someone they can trust. A consistency between word and deed is how people judge someone to be honest.

- **Forward-looking:** People want their leaders to have sense of direction and a concern for the future. Leaders must know where they are going if they expect others to join them on the journey.

- **Competent:** We must see the leader as capable and effective. Leadership competence refers to the leader's track record and ability to get things done. A leader must have the ability to bring out the best in others – to enable others to act. He must be able to work well with others.

- **Inspiring:** We expect our leaders to be enthusiastic, energetic, and positive about the future. A vision of the future is fine, but the leader must be able to communicate the vision in a way that encourages us to join the journey. If a leader displays no passion for a cause, why should anyone else?[10]

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[10] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002), p27-32

Topic 2: Traits and Characteristics of Leaders

According to Kouzes and Posner the foundational trait of leadership is *Credibility*. But what is credibility and how do you know it when you see it? Here are some common phrases people use to know credibility when they see it.

- "Leaders practice what they preach"
- "They walk the talk"
- "Their actions are consistent with their words"
- *"They do what they say they will do"*[11]

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[11] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002), p37

Topic 3: Forms of Power and Authority

Through social communication studies, it has been theorized that leadership and power are closely linked. It has been further presumed that different forms of power affect one's leadership and success. In a notable study of power conducted by social psychologists John R. P. French and Bertram Raven in 1959, power is divided into five separate and distinct forms. They identified those five bases of power as *coercive, reward, legitimate, referent, and expert*.[12] Though there have been many formal definitions of leadership that did not include social influence and power, any discussion of leadership must inevitably deal with the means by which a leader gets the members of an organization to act and move in a particular direction.[13]

French and Raven identified five bases of power. The first three are positional sources of power while the last two are personal sources of power.
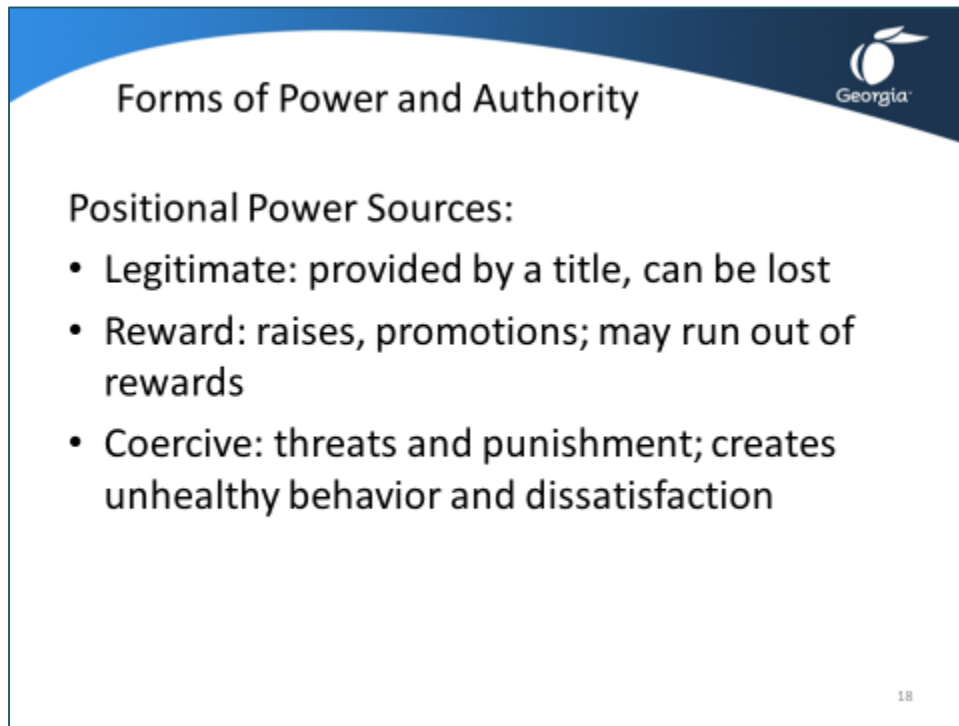
1. **Legitimate** – This comes from the belief that a person has the formal right to make demands, and to expect compliance and obedience from others.
2. **Reward** – This results from one person's ability to compensate another for compliance.
3. **Coercive** – This comes from the belief that a person can punish others for noncompliance.
4. **Expert** – This is based on a person's superior skill and knowledge.
5. **Referent** – This is the result of a person's perceived attractiveness, worthiness, and right to respect from others.[14]

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[12] http://en.wikipedia.org/wiki/French_and_Raven's_bases_of_power
[13] Raven, Bertram H. "Power, Six Bases of." Encyclopedia of Leadership.Ed. Thousand Oaks, CA: SAGE, 2004. 1242-49. SAGE; Reference Online. Web. 30 Jan. 2012
[14] http://www.mindtools.com/pages/article/newLDR_56.htm

Topic 3: Forms of Power and Authority

Positional Power Sources

Legitimate Power
A president, prime minister, or monarch has legitimate power. So does a CEO, a minister, or a fire chief. Electoral mandates, social hierarchies, cultural norms, and organizational structure all provide the basis for legitimate power.

This type of power, however, can be unpredictable and unstable. If you lose the title or position, legitimate power can instantly disappear – since others were influenced by the position, not by you. Also, your scope of power is limited to situations that others believe you have a right to control. If the fire chief tells people to stay away from a burning building, they'll probably listen. But if he tries to make people stay away from a street fight, people may well ignore him.

Therefore, relying on legitimate power as your only way to influence others isn't enough. To be a leader, you need more than this – in fact, you may not need legitimate power at all.

Reward Power
People in power are often able to give out rewards. Raises, promotions, desirable assignments, training opportunities, and even simple compliments – these are all examples of rewards controlled by people "in power." If others expect that you'll reward them for doing what you want, there's a high probability that they'll do it.

The problem with this power base is that you may not have as much control over rewards as you need. Supervisors probably don't have complete control over salary increases, and managers often can't control promotions, all by themselves. And even a CEO needs permission from the board of directors for some actions.

So, when you use up available rewards, or when the rewards don't have enough perceived value to others, your power weakens. (One of the frustrations of using rewards is that they often need to be bigger each time if they're to have the same motivational impact. Even then, if rewards are given frequently, people can become satiated by the reward, so that it loses its effectiveness.)

Coercive Power
This source of power is also problematic, and can be subject to abuse. What's more, it can cause unhealthy behavior and dissatisfaction in the workplace.
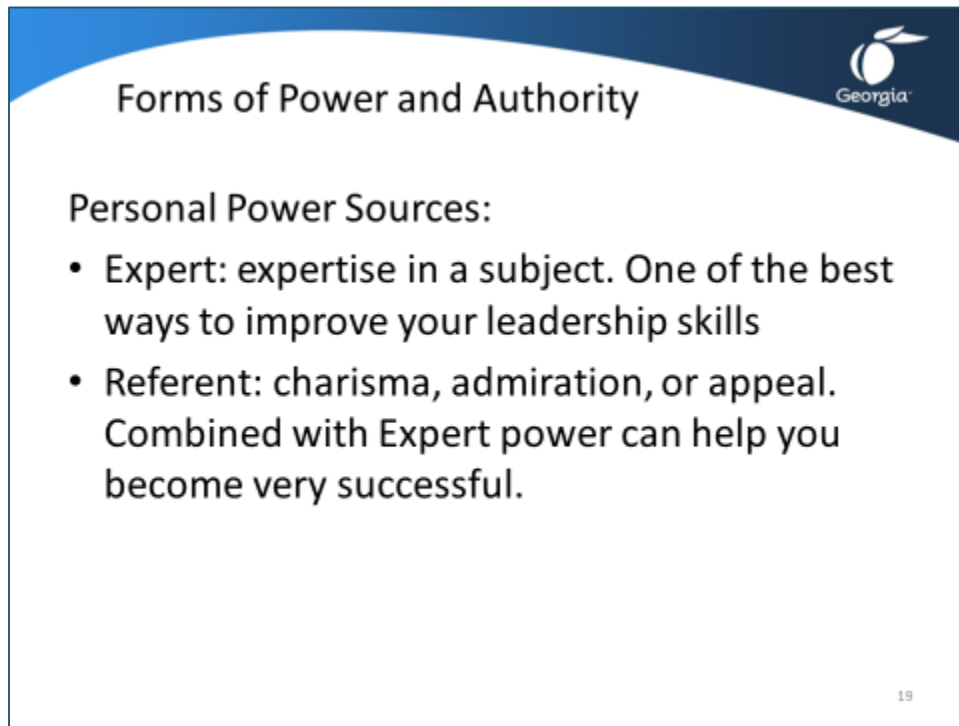
Threats and punishment are common tools of coercion. Implying or threatening that someone will be fired, demoted, denied privileges, or given undesirable assignments – these are examples of using coercive power. While your position may give you the capability to coerce others, it doesn't automatically mean that you have the will or the justification to do so. As a last resort, you may sometimes need to punish people. However, extensive use of coercive power is rarely appropriate in an organizational setting.

Clearly, relying on these forms of power alone will result in a very cold, technocratic, impoverished style of leadership. To be a true leader, you need a more robust source of power than can be supplied by a title, an ability to reward, or an ability to punish.[15]

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[15] http://www.mindtools.com/pages/article/newLDR_56.htm

Topic 3: Forms of Power and Authority

Personal Power Sources

Expert Power

When you have knowledge and skills that enable you to understand a situation, suggest solutions, use solid judgment, and generally outperform others, people will probably listen to you. When you demonstrate expertise, people tend to trust you and respect what you say. As a subject matter expert, your ideas will have more value, and others will look to you for leadership in that area.

What's more, you can take your confidence, decisiveness, and reputation for rational thinking – and expand them to other subjects and issues. This is a good way to build and maintain expert power. This is one of the best ways to improve your leadership skills.

Referent Power

This is sometimes thought of as charisma, charm, admiration, or appeal. Referent power comes from one person liking and respecting another, and strongly identifying with that person in some way. Celebrities have referent power, which is why they can influence everything from what people buy to whom they elect to office. In a workplace, a person with charm often makes everyone feel good, so he or she tends to have a lot of influence.

Referent power can be a big responsibility, because you don't necessarily have to do anything to earn it. Therefore, it can be abused quite easily. When combined with expert power, however, it can help you to be very successful.[16]

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[16] http://www.mindtools.com/pages/article/newLDR_56.htm

Topic 3: Forms of Power and Authority
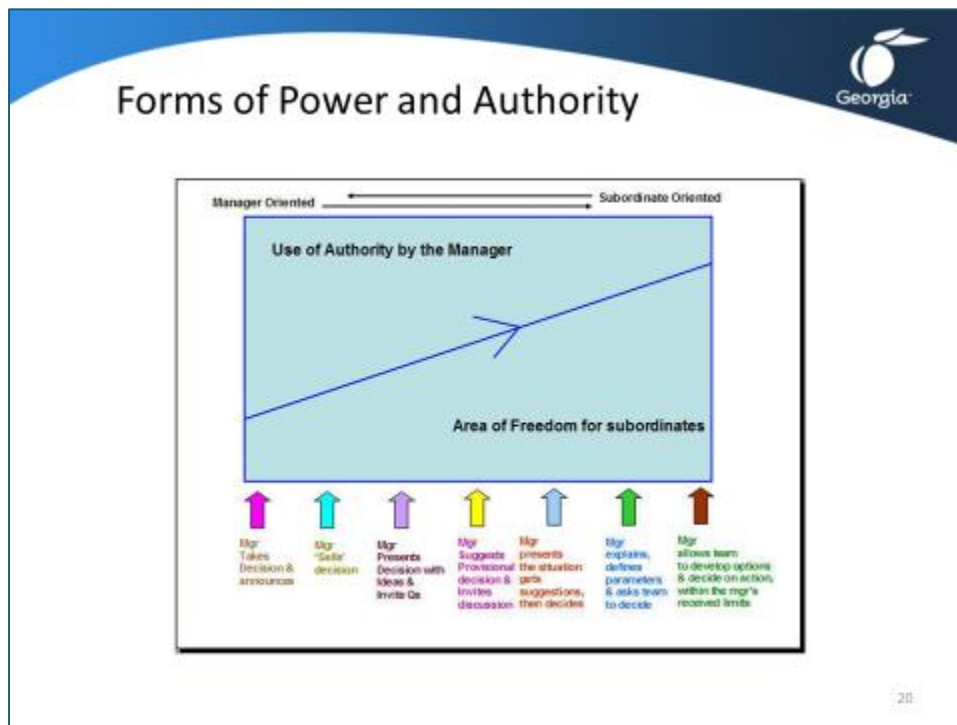
Authority of the Leader

Tannenbaum and Schmidt Continuum model shows the relationship between the levels of freedom that a manager chooses to give to a team, and the level of authority used by the manager. This level of delegation takes any one of the seven levels as depicted by the central arrow line in the diagram below.

Tannenbaum & Schmidt concentrated more on delegation & freedom in decision making to subordinates and there by on the team development. As the team's freedom increases, the manager's authority decreases. This is a positive way for both teams and managers to develop.

Tannenbaum & Schmidt defined 7 levels of delegated freedom which moves from manager-oriented to subordinate-oriented. As team develops, level moves from one to the next – the area of freedom increases and the need for manager's intervention decreases. Following levels are self-explanatory and easy to understand:

1. **Manager takes decision and announces it** – only manager plays the decision-making role; no team involvement
2. **Manager decides and then "Sells" his decision to the team** – no change in decision; but team may raise some concerns
3. **Manager presents decision with background ideas for the decision and invite questions** – team knows what options manager considered for his decision; more team involvement
4. **Manager suggests provisional decision & invites discussion regarding the decision** – team can have a say on manager's decision; it can be changed based on discussion

5. **Manager presents the problem or situation, get suggestions, then decides** – team is free to come up with options; manager decides on those options
6. **Manager explains the situation or problem, defines the parameters and asks team to decide on the solution** – manager delegated whole thing to the team; but still manager is accountable for the outcome
7. **Manager allows team to develop options and decide on the action, within the manager's received limit** – complete freedom level; team does all the work almost as what the manager does at level 1.

The main advantage of this theory: for leaders/managers – it defines the criteria for involvement and delegation & range of choices for the involvement.[17]
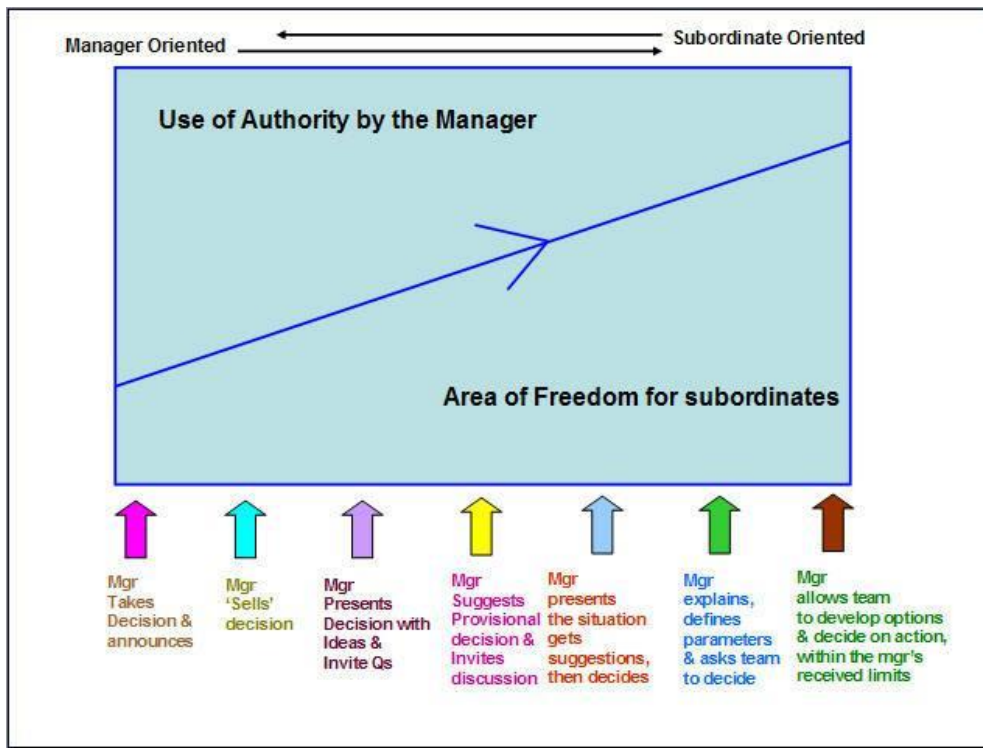
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[17] https://leadershipchamps.wordpress.com/2008/04/27/what-is-tannenbaum-schmidt-continuum-theory-says/

Topic 4: Leadership and Management Compared

In his book "First, Break All the Rules", Marcus Buckingham alludes to conventional wisdom by stating, "Managers do things right. Leaders do the right things." He further asserts that the main difference between a manager and a leader is that a manger is focused inward, toward each individual, difference in styles, goals, needs, and motivation of each person. A leader on the other hand is focused outwardly. They focus on broad patterns, they are visionaries and activators.[18]

Steven Covey looks at the role differences between managers and leaders. He believes the basic role of the leader is to "foster mutual respect and build a complementary team where each strength is made productive and each weakness made irrelevant. Managers use leverage to multiply the work and role of the producer."[19]

The table below presents some important differences between management and leadership styles:

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[18] M. Buckingham & C. Coffman, *First, Break All the Rules* (New York, Simon & Schuster, 1999), p63
[19] S. Covey, *Principle-Centered Leadership* (New York, Simon & Schuster, 1990), p246

Topic 4: Leadership and Management Compared

Leadership and management are two distinctive and complementary systems of action. The real challenge is to combine strong leadership and strong management and use one to reinforce the other.[20]

Managers	Leaders
Managers have subordinates Their power and authority come from appointment in the organization.	**Leaders have followers** Cannot rely on formal authority, followers are volunteers, who must want to follow.
Authoritarian, transactional style The manager tells the subordinates what to do. Subordinate do this because they will receive some form of reward.	**Charismatic, transformational style** Leaders inspire people to work with them. People can see how their own efforts benefit themselves and are motivated by the leader.
Work focus Managers are paid to get things done. They pass on this work focus to subordinates.	**People focus** Leaders build upon the needs of others. Leaders also realize the importance of enthusing others to work toward their vision.
Risk averse Managers like predictability and conformity.	**Seek risk** Leaders consider it natural to encounter problems and hurdles while pursuing their vision.
Works to Objectives Managers expect work to be planned to a detailed level in order to meet objectives.	**Works with vision** The leader's vision provides the direction for action.

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[20] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p264

Exercise 1.1: Identify Leadership Terms and Concepts

Instructions:

Review the following terms and concepts and match them to their definition.

	Definition	Term/Concept
	A leader's track record and ability to get things done is this characteristic	A respect and trust, not fear and submission
	your ideas will have more value, and others will look to you for leadership in that area	B Positional Power Sources
	a process of social influence, which maximizes the efforts of others, towards the achievement of a goal	C What Leadership is not
	According to PMBOK Guide® leadership is founded on	D Tannenbaum & Schmidt Continuum model
	Has nothing to do with titles	E Expert Power
	the relationship between the levels of freedom that a manager chooses to give to a team, and the level of authority used by the manager	F Competent
	Legitimate Power, Reward Power, Coercive Power	G Managers
	… have subordinates	H A definition of leadership

Lesson 1 Summary: Learning Objectives Recap

- **Discuss various definitions of leadership**
  Most people would agree that leadership is the ability to obtain followers. In order to obtain followers a leader must encourage others to follow them. Here are two standard definitions:

  The *PMBOK® Guide* states that leadership "**involves focusing the efforts of a group of people toward a common goal and enabling them to work as a team. In general terms, leadership is the ability to get things done through others.**"

  Kevin Kruse expands on these definitions by surmising that leadership is "**a process of social influence, which maximizes the efforts of others, towards the achievement of a goal.**"

- **Identify differing leadership traits and characteristics**
  Leadership styles tend to be reliant upon a number of issues:
  - The personality of the leader
  - The maturity of the followers
  - The wider needs of the environment

  Four basic styles of leadership that most people are familiar with;
  - autocratic,
  - bureaucratic,
  - laissez-faire,
  - democratic.

- **Describe how leadership differs from management**
  1. The effective leader will be able to adapt their style of leadership to suit the prevailing circumstances.
  2. Leadership and management are two distinctive and complementary systems of action. The real challenge is to combine strong leadership and strong management and use one to reinforce the other

Managers	Leaders
Managers have subordinates	**Leaders have followers**
Authoritarian, transactional style	**Charismatic, transformational style**
Work focus	**People focus**
Risk averse	**Seek risk**
Works to Objectives	**Works with vision**

Notes

LESSON 2: THE PROJECT MANAGER AS AN ORGANIZATIONAL LEADER

Topic 1: Organizations and Project Management

Topic 2: Organizational Structures

Topic 3: Role of the Project Manager

Topic 4: Leadership Challenges in Organizational Structures

Student Learning Objectives

After completing this lesson you should be able to

- Discuss how the organizational environment impacts the use of project management
- Identify the formal and informal organizational structures a project manager will encounter
- Describe the role of the project manager in various organizational structures
- Recognize the challenges project managers face as a leader within various organizational structures

Approximate Presentation time: 1.0 hour

Topic 1: Organizations and Project Management

Organizations use governance to establish strategic direction and performance parameters. The strategic direction of an organization provides the following things to guide business pursuits which are also aligned with business objectives;

- Purpose,
- Expectations,
- Goals,
- Action plans.

Project management activities should be aligned with top-level business direction, and if there is a change, then project objectives need to be realigned. In a project environment, changes to project objectives affect project efficiency and success. The chances for project success are higher when the business alignment for a project has minimal change. If the business changes then the project should change accordingly and re-align with the business.[21]

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[21] *PMBOK® Guide* p14

Vision

Mission

Organizational Strategy and
Objectives

Portfolio Management
Strategic Planning and Management of Projects,
Programs, and Operations

Management of
On-going Operations
(recurring activities)
Producing Value

Management of
Authorized Programs and Projects
(projectized activities)
Increasing Value Production Capability

Organizational Resources

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[22] Diagram based on the Project Management Institute, *Organizational Project Management Maturity Model – Third Edition, Project Management Institute, Inc., 2013.*

Topic 1: Organizations and Project Management

The organizational strategy should provide guidance and direction to project management. After all, projects exist to execute and deliver organizational strategies. The project sponsor or a program manager may identify the alignment or potential conflicts the project may have with any organizational strategies.

Projects and programs are undertaken to achieve strategic business outcomes. Many organizations have adopted governance processes and procedures to accomplish this. Sometimes, governance criteria can place constraints on projects especially when a project is to deliver a service which will be subject to strict organizational governance.

Business Environment

Business Needs → Develop Strategic Plan → Execute Strategic Plan → Deliver Strategic Plan → Monitor Strategic Plan

- Business Case
- Charter

- Products/Services
- Processes
- Applications

- Alignment
- Value/Risk
- Customer Satisfaction

Project   Project   Project

Project Environment

Identify Stkhldrs

Collect Rqmnts → Define Scope → Determine Work Product → Schedule Work → Develop Product → Verify Scope

Verify Scope → Deliver Scope → Close Project → Deliver Strategic Plan

- Requirements Docs
- Use Cases
- Traceability Matrix

- Test Cases
- Acceptance Criteria

Topic 2: Organizational Structures

Organizational structure is an enterprise environment factor (EEF). They can affect the availability of resources and influence how projects are conducted. They range from functional to projectized, with a variety of matrix structures in between as noted in the table below.[23]

Many organizational structures include strategic, middle management, and operational levels. The project manager may interact with all three levels depending on the following factors:
- Strategic importance of the project,
- Capacity of stakeholders to exert influence on the project,
- Degree of project management maturity,
- Project management systems, and
- Organizational communications.

This interaction determines project characteristics such as:
- Project managers level of authority,
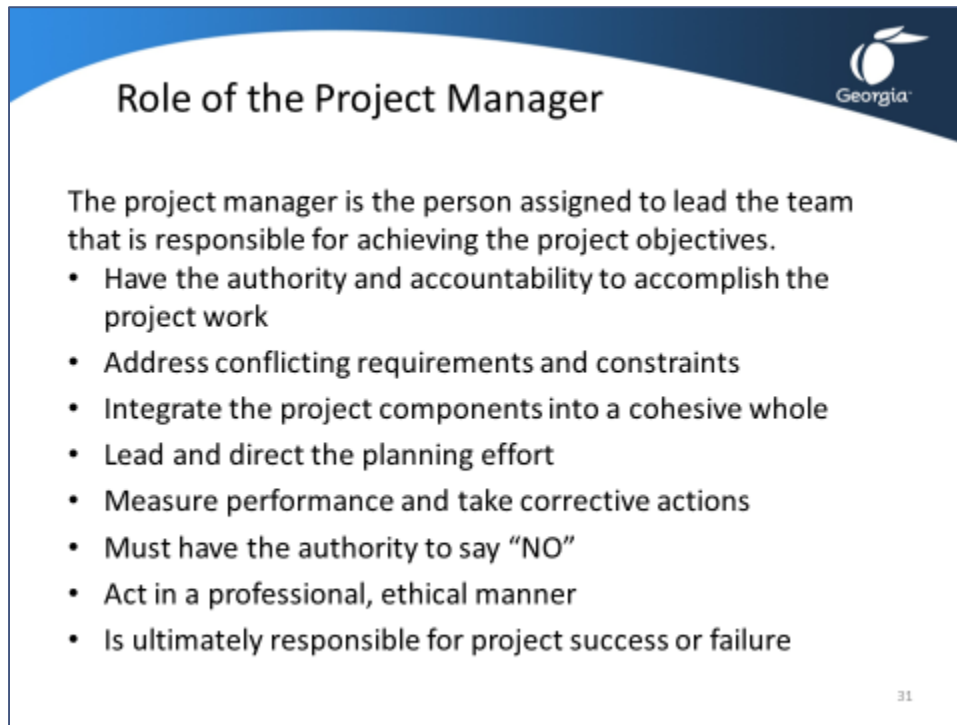- Resource availability and management,
- Organization controlling the project budget,
- Project manager's role, and
- Project team composition.[24]

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[23] *PMBOK® Guide* p22
[24] *PMBOK® Guide* p26

Topic 3: Role of the Project Manager

The project manager is the person assigned by the performing organization to lead the team that is responsible for achieving the project objectives. It is a distinct role from that of the functional manager or operations manager. The functional manager primarily focuses on providing management oversight for a functional or a business unit, and the operations mangers are responsible for ensuring that business operations are efficient.[25]

Project managers may report to a functional manager or they may be one of several project managers that report to a program or portfolio manager. In general, project managers have the responsibility to satisfy task, team, and individual needs. The project manager becomes the link between the strategy and the team.

- Have the authority and accountability to accomplish the project work
- Address conflicting requirements and constraints
- Integrate the project components into a cohesive whole
- Lead and direct the planning effort
- Measure performance and take corrective actions
- Must have the authority to say "NO"
- Act in a professional, ethical manner
- Is ultimately responsible for project success or failure

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[25] *PMBOK® Guide* p16,17

Topic 4: Leadership Challenges in Organizational Structures

Organizational structures can provide several challenges to the project manager. Most of these challenges will be in the area of resource and budgetary control, authority to direct work, and the project manager's availability on the project. The table below depicts several aspects of challenges a project manager will face in various organizational structures.

Organizational Strucutre / Project Characteristics	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Mangers Authority	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Who Manages the Project Budget	Functional Manager	Functional Manager	Mixed	Project Manager	Project Manager
Project Mangers's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Management Administrative Staff	Part-time	Part-time	Part-time	Full-time	Full-time

Table is based on the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide) – Fifth Edition, Project Management Institute, Inc., 2013.p22.*

Exercise 2.1: Organizational Environment at Speedy Office Supplies

Instructions:

Review the case study and be prepared to discuss the following items.

1. What kind of organizational structure exists at Speedy Office Supplies, and what would you recommend as a structure for a successful implementation of the project?

_____

_____

_____

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2. Discuss the responsibilities of the project manager and necessary authority for a successful implementation of the project.

_____

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_____

_____

_____

Lesson 2 Summary: Learning Objectives Recap

- **Discuss how the organizational environment impacts the use of project management**
  Projects and programs are undertaken to achieve strategic business outcomes and to execute and deliver organizational strategies. The project sponsor or a program manager may identify the alignment or potential conflicts the project may have with any organizational strategies. Many organizations have adopted governance processes and procedures to accomplish this.

- **Identify the formal and informal organizational structures a project manager will encounter**

Organizational Strucutre / Project Characteristics	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Mangers Authority	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Low	Low to Moderate	Moderate to High	High to Almost Total
Who Manages the Project Budget	Functional Manager	Functional Manager	Mixed	Project Manager	Project Manager
Project Mangers's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Management Administrative Staff	Part-time	Part-time	Part-time	Full-time	Full-time

- **Describe the role of the project manager in the various organizational structures**
  The project manager is the person assigned by the performing organization to lead the team that is responsible for achieving the project objectives. In general, project managers have the responsibility to satisfy task, team, and individual needs. The project manager becomes the link between the strategy and the team.

- **Recognize the challenges project managers face as a leader within various organizational structures**
  Organizational structures can provide several challenges to the project manager. Most of these challenges will be in the area of resource and budgetary control, authority to direct work, and the project manager's availability on the project.

Notes

LESSON 3: LEADERSHIP STYLES AND CURRENT MODELS

Topic 1: Basic Leadership Styles

Topic 2: Current Models Used to Apply Leadership

Student Learning Objectives
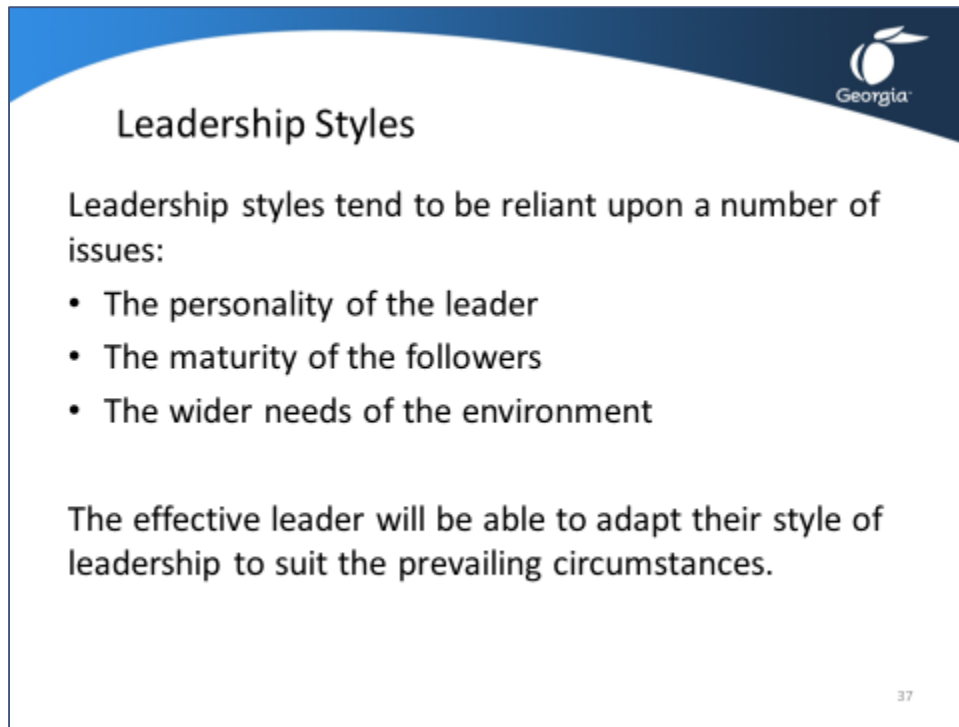
After completing this lesson you should be able to

- Recognize a leadership style by the characteristics of the style
- Discuss current leadership models and how they apply

Approximate Presentation time: 3.5 hours

Topic 1: Basic Leadership Styles

There has been much research into leadership and different styles of leaders have been identified and categorized. Leadership styles tend to be reliant upon a number of issues:

- The personality of the leader
- The maturity of the followers
- The wider needs of the environment
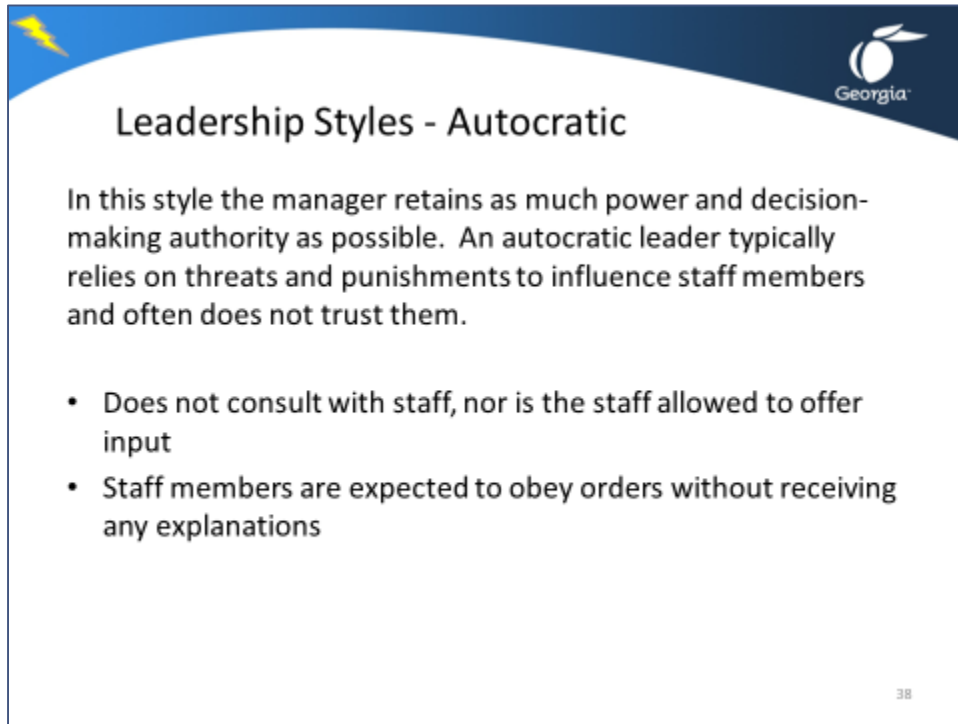
The effective leader will be able to adapt their style of leadership to suit the prevailing circumstances.[26]

Different styles are needed for different situations and leaders must know when to use a particular approach. This section will discuss four basic styles of leadership that most people are familiar with; autocratic, bureaucratic, laissez-faire, and democratic. A fifth style will also be explored that synthesizes the other four, known as Situational Leadership.

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[26] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p238

Topic 1: Basic Leadership Styles

The Autocratic Style[27]

This is the classical approach to leadership though it has been greatly criticized over the past 30 years. In this style the manager retains as much power and decision-making authority as possible. He does not consult with staff, nor is the staff allowed to offer input. Staff members are expected to obey orders without receiving any explanations. An autocratic leader typically relies on threats and punishments to influence staff members and often does not trust them.

There are occasions where the autocratic style may be useful when;
- New or untrained staff do not know which tasks to perform or procedures to follow
- Effective supervision provided only through detailed orders and instructions
- Staff do not respond to any other leadership style
- Limited time in which to make a decision
- A manager's power challenged by staff
- Work needs to be coordinated with another department or organization
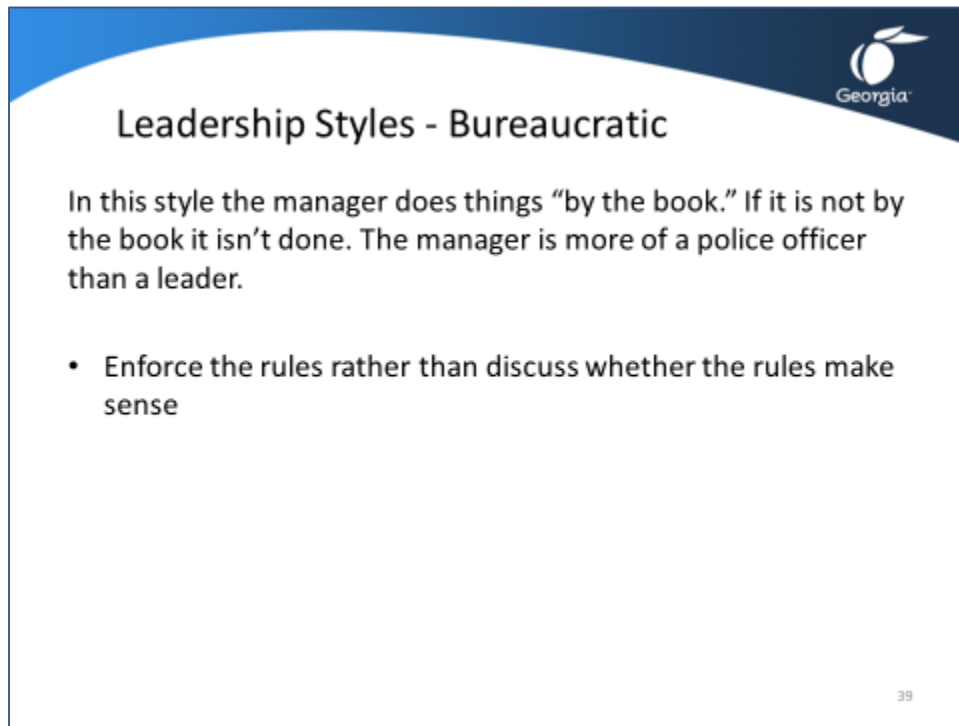
Occasions where the autocratic style should not be used when;
- Staff become tense, fearful, or resentful
- Staff expect their opinions to be heard
- Staff depend on their manager to make all their decisions
- Low staff morale, high turnover and absenteeism and work stoppage

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[27] http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan024704.pdf

Topic 1: Basic Leadership Styles

The Bureaucratic Style[28]

In this approach to leadership everything is done according to procedure or policy. The manager does things "by the book". If it is not by the book it isn't done. The manager is more of a police officer than a leader when this style is used. This style wants to enforce the rules rather than discuss whether the rules make sense.

The bureaucratic style may be most effective when;
- Staff are performing routine tasks over and over
- Staff need to understand certain standards or procedures
- Safety or security training conducted
- Staff performing tasks that require handling cash
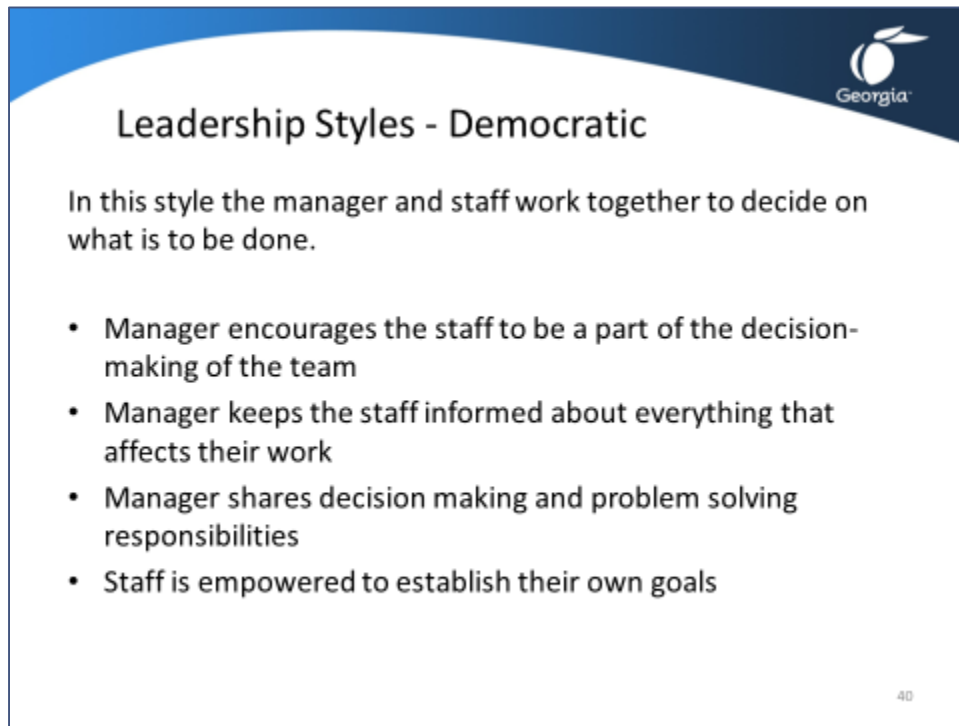
The bureaucratic style may be least effective when;
- Work habits form that are hard to break, especially if they are no longer useful
- Staff lose their interest in their jobs and in their co-workers
- Staff do only what is expected of them and no more

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[28] http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan024704.pdf

Topic 1: Basic Leadership Styles

The Democratic Style[29]

This style is also known as the participative style. In this approach to leadership the manager and staff work together to decide on what is to be done. The manager encourages the staff to be a part of the decision-making of the team and keeps the staff informed about everything that affects their work and shares decision making and problem solving responsibilities. The staff is empowered to establish their own goals. The manger recognizes and encourages achievement. It is most successful when used with highly skilled or experienced staff, or when implementing operational changes, or resolving individual or group problems

The democratic style may be most effective when;
- The manager wants to keep staff informed about matters that affect them
- Wants the staff to share in the decision making and problem solving duties
- Wants to provide opportunities for team development and personal growth
- A large or complex problem arises that requires a lot of input to solve
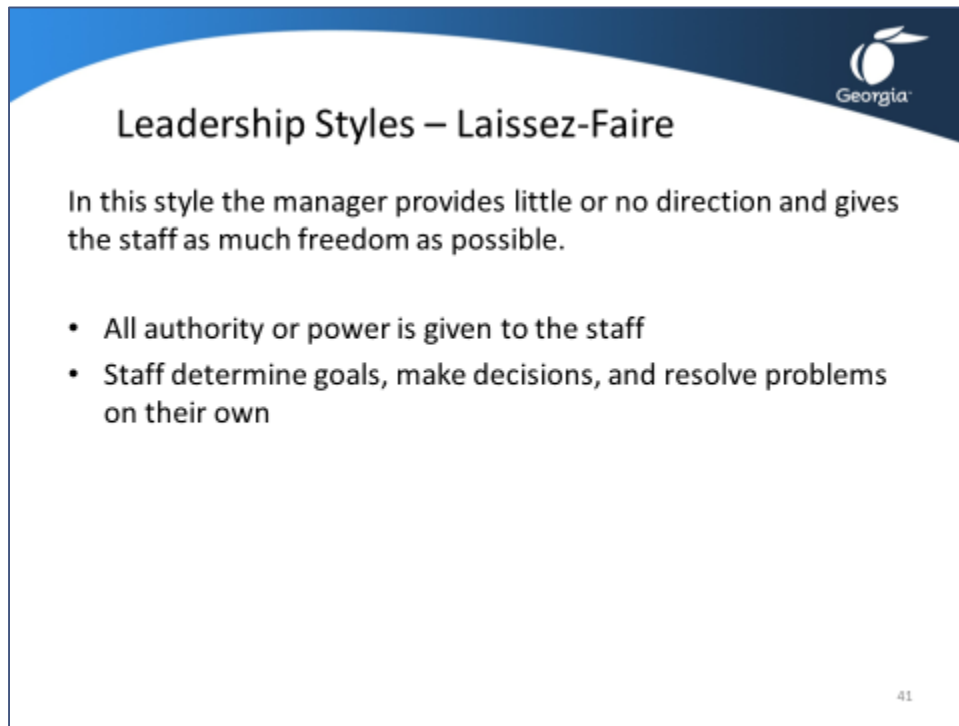
The democratic style should not be used when;
- Not enough time to get everyone's input
- Easier and more cost-effective for the manager to make the decision
- Can't afford mistakes
- Manage feels threatened by this type of leadership

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[29] http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan024704.pdf

Topic 1: Basic Leadership Styles

The Laissez-Faire Style[30]

This style is also known as the "hands-off" style. In this approach to leadership the manager provides little or no direction and gives the staff as much freedom as possible. All authority or power is given to the staff and they determine goals, make decisions, and resolve problems on their own.

The laissez-faire style may be most effective when;
- The staff is highly skilled, experienced, and educated
- The staff takes pride in their work and the drive to do it successfully on their own
- Outside experts, such as staff specialists or consultants are used
- Staff is trustworthy and experienced

The laissez-faire style should not be used when;
- Staff feels insecure at the unavailability of a manager
- The manager cannot provide regular feedback to staff on how well they are doing
- Managers unable to thank staff for their good work
- The manager does not understand his or her responsibilities and hoping the staff cover for him or her

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[30] http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan024704.pdf

Topic 1: Leadership Styles – Self-Assessment

Instructions:

Respond to each item according to the way you would be most likely to act as the project recovery manager. For each statement, circle whether you would be likely to behave in one of the described ways:

- always (A)
- frequently (F)
- occasionally (0)
- seldom (S)
- never (N)

If I was the leader of a work group…

Item No.	Behavior					Statement
1	A	F	0	S	N	I would most likely act as the spokesperson of the group
2	A	F	0	S	N	I would encourage overtime work
3	A	F	0	S	N	I would allow members complete freedom in their work
4	A	F	0	S	N	I would encourage the use of uniform procedures
5	A	F	0	S	N	I would permit the members to use their own judgment in solving problems
6	A	F	0	S	N	I would stress being ahead of competing groups
7	A	F	0	S	N	I would speak as a representative of the group
8	A	F	0	S	N	I would needle members for greater effort
9	A	F	0	S	N	I would try out my own ideas in the group
10	A	F	0	S	N	I would let the members do their work the way they think best
11	A	F	0	S	N	I would be working hard for a promotion
12	A	F	0	S	N	I would be able to tolerate postponement and uncertainty
13	A	F	0	S	N	I would speak for the group when visitors were present
14	A	F	0	S	N	I would keep the work moving at a rapid pace
15	A	F	0	S	N	I would turn the members loose on a job and let them go to it
16	A	F	0	S	N	I would settle conflicts when they occur in the group
17	A	F	0	S	N	I would get swamped by details
18	A	F	0	S	N	I would represent the group at outside meetings
19	A	F	0	S	N	I would be reluctant to allow the members any freedom of action
20	A	F	0	S	N	I would decide what shall be done and how it shall be done
21	A	F	0	S	N	I would push for increased production
22	A	F	0	S	N	I would let some members have authority that I could keep
23	A	F	0	S	N	Things would usually turn out as I predict
24	A	F	0	S	N	I would allow the group a high degree of initiative
25	A	F	0	S	N	I would assign group members to particular tasks
26	A	F	0	S	N	I would be willing to make changes
27	A	F	0	S	N	I would ask the members to work harder
28	A	F	0	S	N	I would trust the group members to exercise good judgment
29	A	F	0	S	N	I would schedule the work to be done
30	A	F	0	S	N	I would refuse to explain my actions
31	A	F	0	S	N	I would persuade others that my ideas are to their advantage
32	A	F	0	S	N	I would permit the group to set its own pace
33	A	F	0	S	N	I would urge the group to beat its previous record
34	A	F	0	S	N	I would act without consulting the group
35	A	F	0	S	N	I would ask that group members follow standard rules and regulations

Scoring Key:
To find your leadership style:
Step 1: Circle the item numbers for items 8,12,17,18,19,30,34, and 35.

Step 2: Write a "1" in front of the circled items to which you responded S (seldom) or N (never).

Step 3: Write a "1" in front of the items *not* circled to which you responded A (always) or F (frequently).

Step 4: Circle the "I's" which you have written in front of the following items: 3,5,8,10, 15, 18, 19,22,24,26,28,30,32,34, and 35.

Step 5: Count the circled '1's'. This is your score for concern-for-people.

Step 6: Count the un-circled 'I's'. This is your concern-for-task.

Step 7: Refer to the diagram below. Find your score for task dimension on the left-hand arrow. Next, move to the right-hand arrow and find your score on the concern-for-people dimension.

Step 8: Draw a straight line that intersects the two scores. The point at which that line crosses the shared leadership arrow indicates your score on that dimension.

Exercise 3.1: Challenges of Leadership

Instructions:

Read the scenario below and be prepared to discuss the questions that follow.

You have been assigned to be the project manager for the Web Expansion project. You have 20 years of experience and hold a project management credential from an internationally recognized organization. However, it has been decided that you will report directly to Bill Self, the Vice President of Marketing. Bill has ambitions of becoming the next CEO of Speedy Office Supplies and views this project as his ticket to the top. Bill wants you to give him a detailed status report of the project's progress weekly. He is also requiring that he "oversee" all project related meetings – he's very "hands on". Bill has informed you that he will handle all outward communications regarding the project to the company's leadership team and chief executive. He seldom includes you in communications he sends to his peers related to the project and all resource negotiation will be conducted through him. You are allowed to communicate to your immediate project team but must clear their project work with their functional manager through him.

1. Identify the leadership style used by Bill in the scenario.

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2. What challenges are faced by the project manager?

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Topic 1: Basic Leadership Styles

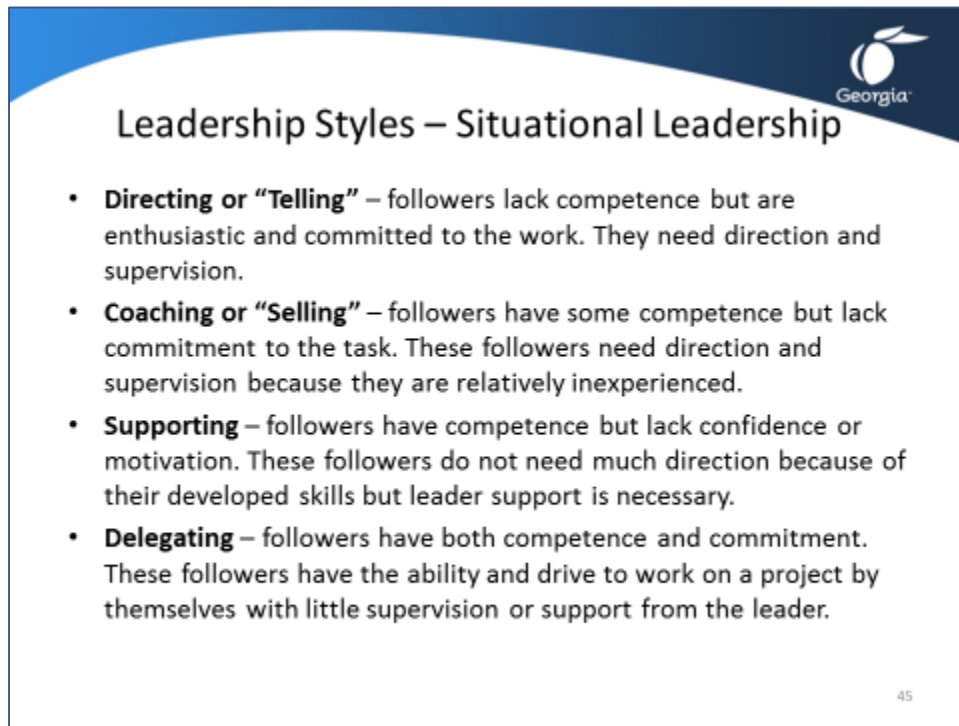**The Situational Leadership Style[31]**

This set of leadership styles is formally known as the Hersey-Blanchard Situational Leadership Theory developed by Paul Hersey and Ken Blanchard. As the name implies, leadership depends upon each individual situation, and no single leadership style can be considered the best. For Hershey and Blanchard, tasks are different and each type of task requires a different leadership style. A good leader will be able to adapt her or his leadership to the goals or objectives to be accomplished. Goal setting, capacity to assume responsibility, education, and experience are main factors that make a leader successful. Not only is the leadership style important for a successful leader-led situation but the ability or maturity of those being led is a critical factor, as well. Leadership techniques fall out of the leader pairing her or his leadership style to the maturity level of the group.

The Hersey-Blanchard Situational Leadership Theory has two pillars: leadership style and the maturity level of those being led. To Hersey and Blanchard, there leadership styles stem from four basic behaviors,

- Telling
- Selling
- Participating (Supporting)
- Delegating

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[31] http://www.leadership-central.com/situational-leadership-theory.html#axzz3SZYzw2CJ

Topic 1: Basic Leadership Styles

The Situational Leadership Style

Hersey and Blanchard characterized the situational leadership style in terms of the amount of direction and support that the leader provides to their followers. The styles follow a natural progression through the development of the follower as defined below;

Directing or "Telling" – is appropriate for followers who lack competence but are enthusiastic and committed to the work. They need direction and supervision to get them started.

Coaching or "Selling" – is for followers who have some competence but lack commitment to the task. These followers need direction and supervision because they are relatively inexperienced. They also need support and praise to build their self-esteem, and involvement in decision-making to build their commitment.

Supporting – is for followers who have competence but lack confidence or motivation. These followers do not need much direction because of their developed skills but leader support is necessary to bolster their confidence and motivation.

Delegating – is for followers who have both competence and commitment. These followers have the ability and drive to work on a project by themselves with little supervision or support from the leader.[32]

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[32] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p242

Topic 1: Basic Leadership Styles

The Situational Leadership Style

In this style it is critical for the leader to focus on understanding the development level of the follower as it relates to the task at hand to determine how much or little direction to provide.

The tables on the following page will help you understand where the leader's focus is placed and what actions are taken by the leader and follower under each scenario. You will also see how authority is used along the continuum.

	Leaders attention to task	Follower's ability to complete task	Leader/ Follower relationship focus	Supervision by leader	Action:
Directing (Telling)	High	Low	Low	High	Leader determines Follower's ability and confidence. Leader provides clear instructions for Follower to do the work.
Coaching (Selling)	High	Some	High	High	Leader is dealing with developing ability or over-confidence. Leader sells, listens, advises and assists by explaining and clarifying decisions and action. Follower involved in decision process to build skill and confidence.
Supporting	Low	High, but incomplete	High	Low	Follower is not fully competent or feels insecure about completing the task. Leader wants to find out where Follower still needs support.
Delegating	Low	High	Low	Minimal	Follower is able and motivated too complete the task. Follower involves Leader when needed. Leader trusts Follower and provides recognition and praise at the end of the task.

Combining with the Tannenbaum-Schmidt model we can see where authority resides within the Situational Leadership Model.

Authority Retained By Leader

Authority Exercised By Team
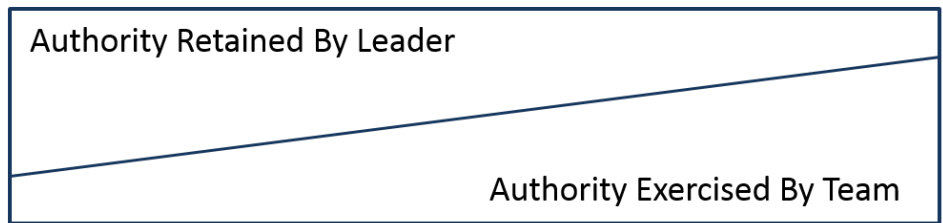
Tell
Make decision and announces it

Sell
Make decision and sells it

Consult
Seeks advice on decision

Join
Involves team in decision

Here people may feel:
Negative: Not committed, involved or valued
Positive: Directed by confident and certain leadership

Here people may feel:
Negative: insecure, uncertain, overchallenged
Positive: Responsible, challenged, valued, developed

Tannenbuam & Schmidt (1973)

Exercise 3.2: Situational Leadership Styles

Instructions:

Read each scenario and answer each question.

Joe is new to the project team and has been with the organization for about two months. He has not met very many people in the organization although he seems willing to jump in and get the work done, but it usually takes him a while due to his inexperience. You have just assigned him the task to perform a gap analysis between the proposed departmental processes and the current processes. This will be used to determine the project tasks needed to deliver the new process to the department. You are very busy and decide that Joe will have to handle this on his own. What style are you using and is it appropriate or not?

_____

_____

_____

_____

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_____

Matching

Consider the example on a sailing yacht. The navigator reports to the skipper that the latest weather forecast has issued a gale warning. As the skipper how do you respond to the crew? Match the response to the Situational Style.

Style to Use	Response	Style	
	"The navigator says we are in for a bit of a blow. What do you suggest?"	A	Directing
	"I want you to put one reef in the main and change the headsail to the storm jib."	B	Selling
	"A gale is forecast."	C	Supporting
	"The navigator says we are in for a bit of a blow, I think you should put one reef in the main and set the storm jib."	D	Delegating

Topic 2: Current Models Used to Apply Leadership
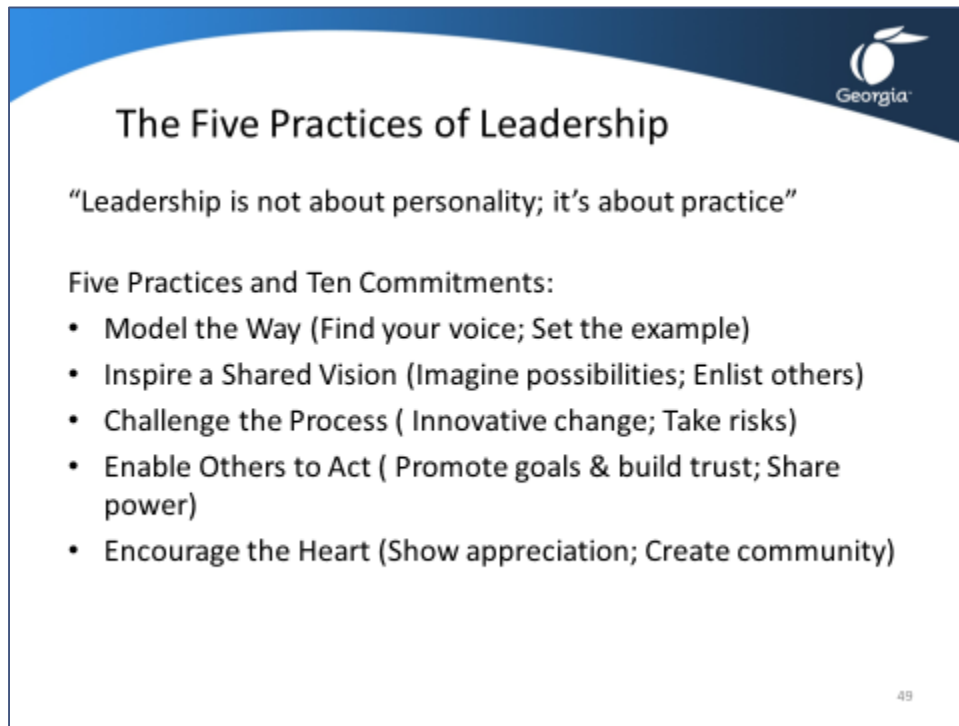
Thus far, our discussions have centered on leadership definitions, concepts and theories. There are as many theories and ideas about leadership as there are authors to write about it. What most of us would really like to know is how to put all of this to use. What can I do to become a better leader?

There are numerous authors offering multiple ways to apply past and current leadership theories. During this section several of these will be explored. Each offers solid practices and methods for developing good leadership skills and practices to follow.

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

In their book *The Leadership Challenge* James Kouzes and Barry Posner state that "Leadership is not at all about personality; it's about practice." They have developed their research of these common practices into a "model of leadership". Kouzes and Posner developed five practices that were common to personal-best leadership experiences. They believe that when leaders engage in the following "Five Practices of Exemplary Leadership" extraordinary things can be done.

Five Practices	Ten Commitments
Model the Way	1. Find your voice by clarifying your personal values 2. Set the example by aligning actions with shared values
Inspire a Shared Vision	3. Envision the future by imagining exciting and ennobling possibilities 4. Enlist others in a common vision by appealing to shared aspirations
Challenge the Process	5. Search for opportunities by seeking innovative ways to change, grow, and improve 6. Experiment and take risks by constantly generating small wins and learning from mistakes
Enable Others to Act	7. Foster collaboration by promoting cooperative goals and building trust 8. Strengthen others by sharing power and discretion
Encourage the Heart	9. Recognize contributions by showing appreciation for individual excellence 10. Celebrate the value and victories by creating a spirit of community[33]

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[33] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p72

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

Model the Way

Leaders model the way. Exemplary leaders know that if they want to gain commitment and achieve the highest standards, they must be models of the behavior they expect from others. To model this behavior they expect from others, leaders must be clear about their own guiding principles, they must lead from what they believe. A leader must find their own voice then clearly and distinctly give voice to their values. Leaders are expected to stand up for their beliefs, so they better have some to stand up for.

Modeling the way is essentially about earning the right and the respect to lead through direct individual involvement and action. People first follow the person, then the plan.[34]

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[34] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p14

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

Inspire a Shared Vision

Leaders have visions and dreams of what *could* be. Exemplary leaders have absolute and total personal belief in those dreams and they are confident in their abilities to make extraordinary things happen, a desire to make things better. The dream or vision is the force that invents the future.

Leaders inspire a shared vision by imagining the attractive opportunities that are over the horizon of time. Leaders have a desire to change the way things are, and to create something that no one else has created before.
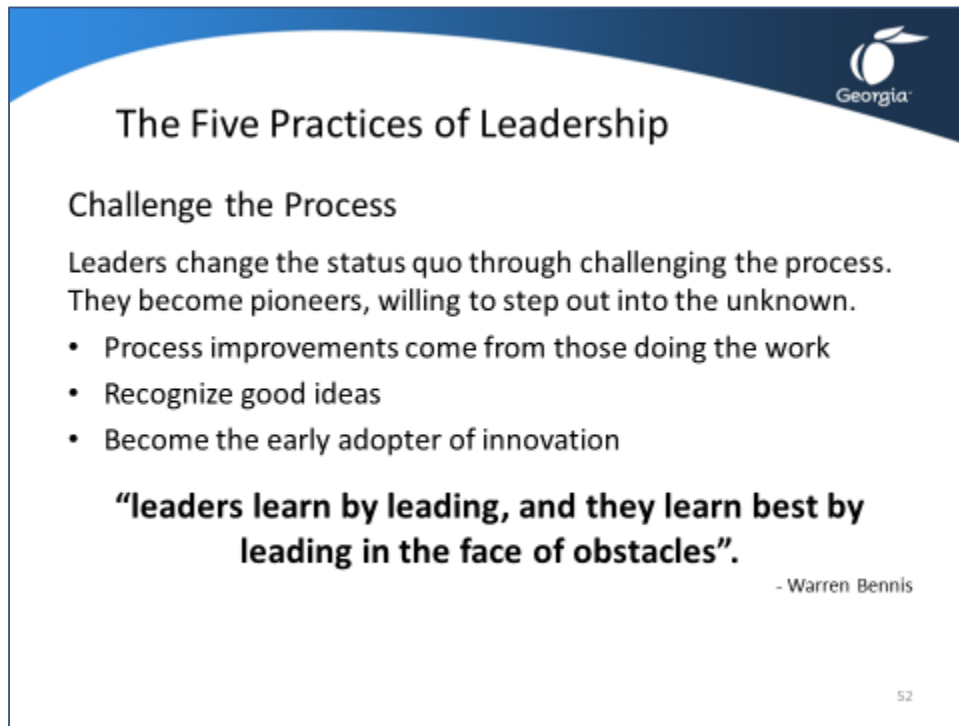
To enlist people in the vision, leaders must know their constituents and speak their language. Leadership is a dialogue, not a monologue. To enlist peoples support, leaders must have knowledge of people's dreams, hopes, aspirations, visions and values.

The leader's belief in and enthusiasm for the vision is the spark that ignites the flame of inspiration.[35]

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[35] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p15,16

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

Challenge the Process

Leaders venture out, they do not sit idly by waiting for fate to smile on them. Leaders change the status quo through challenging the process. They become pioneers, willing to step out into the unknown, searching for opportunities to innovate, grow, and improve. Many of these will come from customers, constituents, vendors, workers on the front line. Process improvements will come from those doing the work.
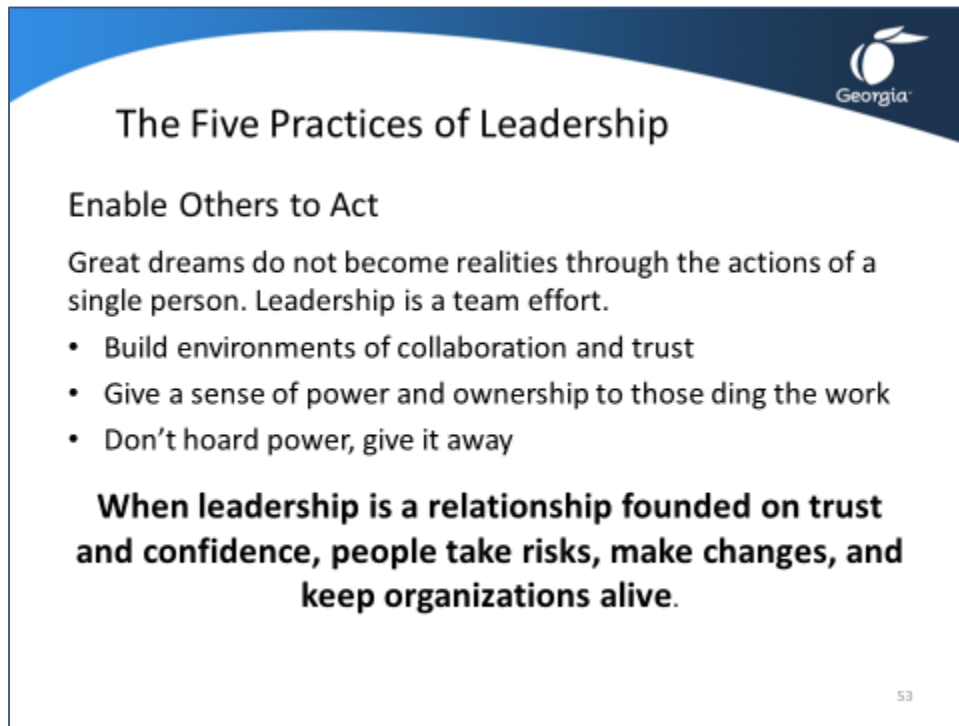
The leader's primary contribution is in the recognition of good ideas and the willingness to challenge the system to implement these ideas. Leaders become the early adopters of innovation.

Warren Bennis writes that "leaders learn by leading, and they learn best by leading in the face of obstacles". Leaders are learners. They learn from their failures as well as from their successes.[36]

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[36] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p16,17

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

Enable Others to Act

Great dreams do not become realities through the actions of a single person. Leadership is a team effort. Ask yourself, when describing your leadership experiences, how often do you use the word "we"?

Exemplary leaders enable others to act. They foster collaboration and build trust. Leaders make it possible for others to do good work. They know that those expected to do the work must feel a sense of personal power and ownership. Leaders work to make people feel strong, capable, and committed. They do not hoard power, but give it away.
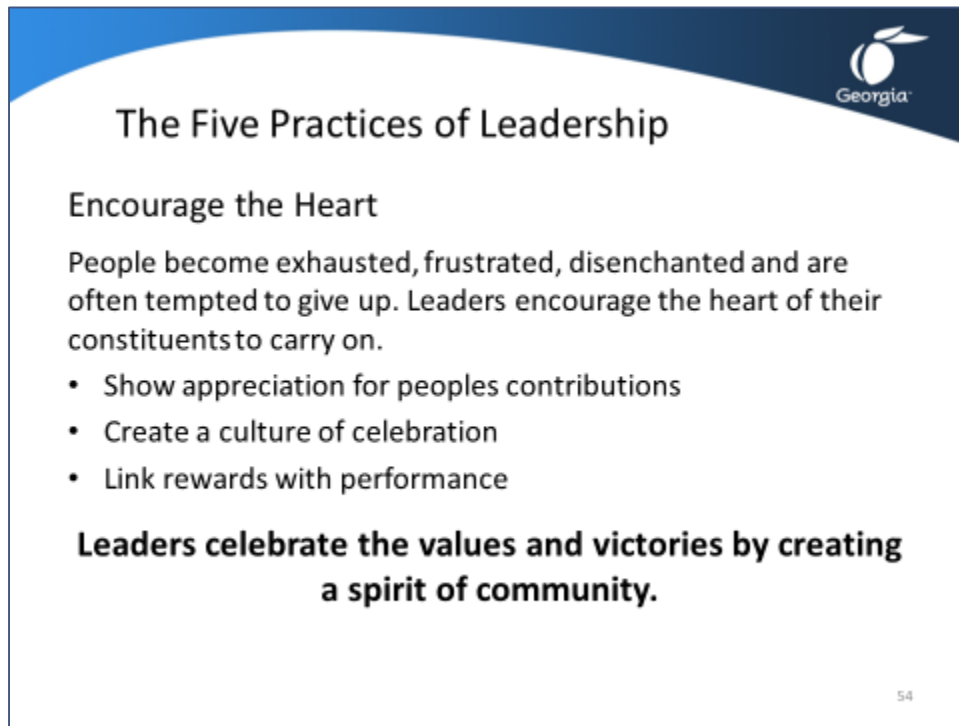
When leadership is a relationship founded on trust and confidence, people take risks, make changes, and keep organizations and movements alive. Through that relationship, leaders turn their constituents into leaders themselves[37]

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[37] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p18,19

Topic 2: Current Models Used to Apply Leadership

The Five Practices of Leadership – Kouzes & Posner

Encourage the Heart

People become exhausted, frustrated, and disenchanted. They are often tempted to give up. Leaders encourage the heart of their constituents to carry on. Encouragement can come from grand gestures or simple actions.
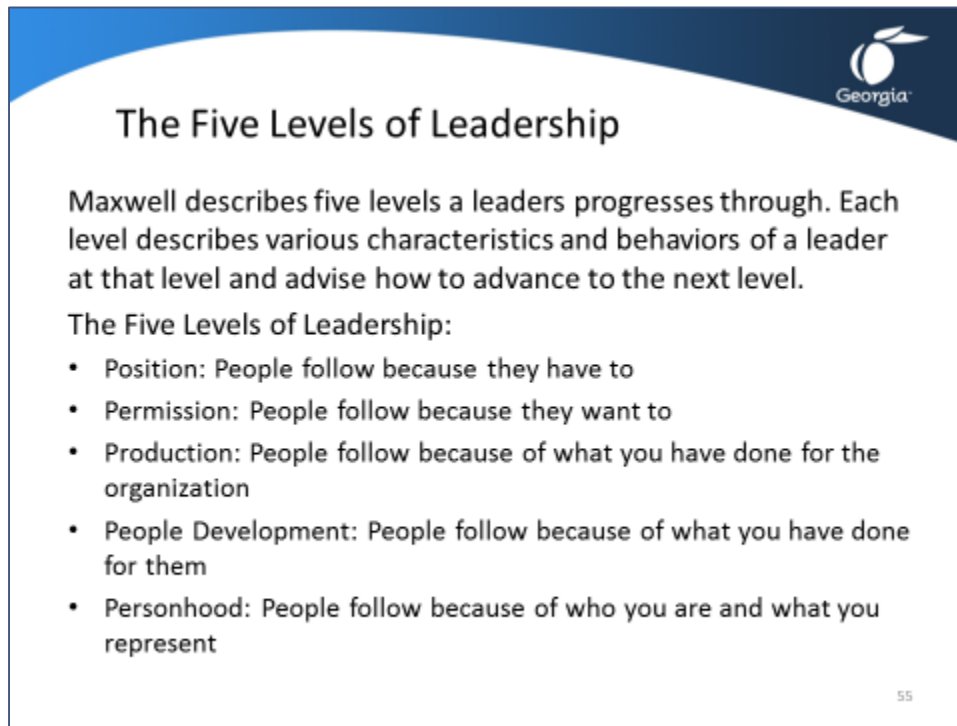
It is part of the leader's job to show appreciation for peoples contributions and to create a culture of celebration. Encouragement is how leaders visibly and behaviorally link rewards with performance.

Leaders celebrate the values and victories by creating a spirit of community.[38]

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[38] J. Kouzes & B. Posner, *The Leadership Challenge* (San Francisco, John Wiley & Sons, Inc., 2002),p19

Topic 2: Current Models Used to Apply Leadership

The Five Levels of Leadership – John Maxwell

John Maxwell is a leading advocate of leadership today. A highly sought after speaker and best-selling author, Maxwell has written dozens of books on leadership. In his book *Developing the Leader Within You*, Maxwell describes what he believes are the five levels leaders progress through. This section will explore these five levels of leadership and discuss how you can determine where you are at on your leadership journey and what you need to do to get to the next level according to Maxwell.

Topic 2: Current Models Used to Apply Leadership

The Five Levels of Leadership – John Maxwell

Level 1 - Position

The *Position* level is the basic entry level of leadership. The only influence you have at this level is that which comes with the title. At this level a person might be "in control" because he has been appointed. He may have authority but real leadership is being the person others will gladly and confidently follow. Take for example:

- The boss drives his workers; the leader coaches them.
- The boss depends upon authority; the leader on goodwill.
- The boss says "I"; the leader says "we".
- The boss fixes the blame for the breakdown; the leader fixes the breakdown.
- The boss knows how it is done; the leader shows how.

Characteristics of a Positional Leader:

- Security is based on title, not talent.
- This level is often gained by appointment.
- People will not follow a positional leader beyond his stated authority.[39]

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[39] J. Maxwell, *Developing the Leader within You* (Nashville, Thomas Nelson, Inc., 1993), p5,6

Topic 2: Current Models Used to Apply Leadership

The Five Levels of Leadership – John Maxwell

Level 2 - Permission

Fred Smith says, "Leadership is getting people to work for you when they are not obligated." That can only happen when you climb to Level 2 leadership. People don't care how much you know until they know how much you care.

A person on the Permission level leads by interrelationships. The agenda is not the pecking order but people development. On this level, time, energy, and focus are placed on the individual's needs and desires.

Those who are unable to build solid, lasting relationships will soon discover that they are unable to sustain long, effective leadership. Needless to say, you can love people without leading them, but you cannot lead people without loving them.

Do not skip this level. For example, a husband goes from level 1, *Position*, a wedding day title, to level 3, *Production*. He becomes a great provider for the family, but in the process he neglects the essential relationships that hold a family together. The family disintegrates and so does the husband's business. Relationships involve a process that provides the glue and much of the staying power for long-term, consistent production.[40]

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[40] J. Maxwell, *Developing the Leader within You* (Nashville, Thomas Nelson, Inc., 1993), p7,8

Topic 2: Current Models Used to Apply Leadership
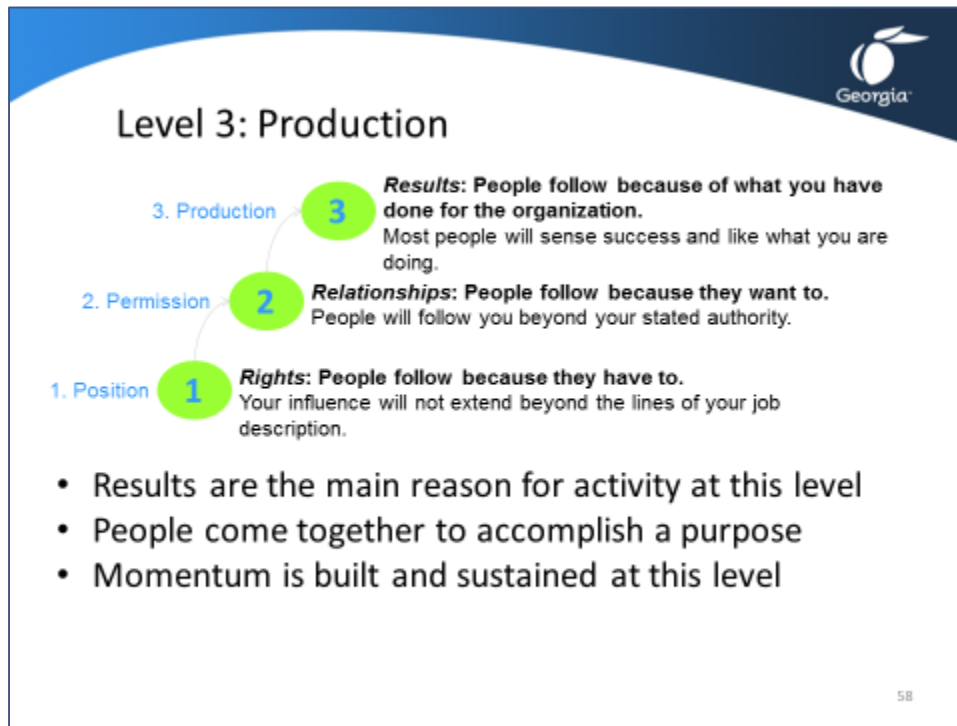
The Five Levels of Leadership – John Maxwell

Level 3 - Production

On this level things begin to happen, good things. Goals are being realized. Accompanying this growth is momentum. Everyone is results-oriented. In fact, results are the main reason for the activity.

This is a major difference between levels 2 and 3. On the "relationship" level, people get together just to get together. There is no other objective. On the "results" level, people come together to accomplish a purpose. They like to get together, but they love to get together to accomplish something. In other words, they are results-oriented.[41]

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[41] J. Maxwell, *Developing the Leader within You* (Nashville, Thomas Nelson, Inc., 1993), p 8,9

Topic 2: Current Models Used to Apply Leadership

The Five Levels of Leadership – John Maxwell

Level 4 – People Development

According to Robert Townsend a true leader can be recognized because somehow his people consistently demonstrate superior performances. A leader is great, not because of his or her power, but because of his or her ability to empower others.

Loyalty to the leader reaches its highest peak when the follower has personally grown through the mentorship of the leader. Note the progression: At level 2, the follower loves the leader; at level 3, the follower admires the leader; at level 4, the follower is loyal to the leader. Why? You win people's hearts by helping them grow personally.[42]

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[42] J. Maxwell, *Developing the Leader within You* (Nashville, Thomas Nelson, Inc., 1993), p 10

Topic 2: Current Models Used to Apply Leadership
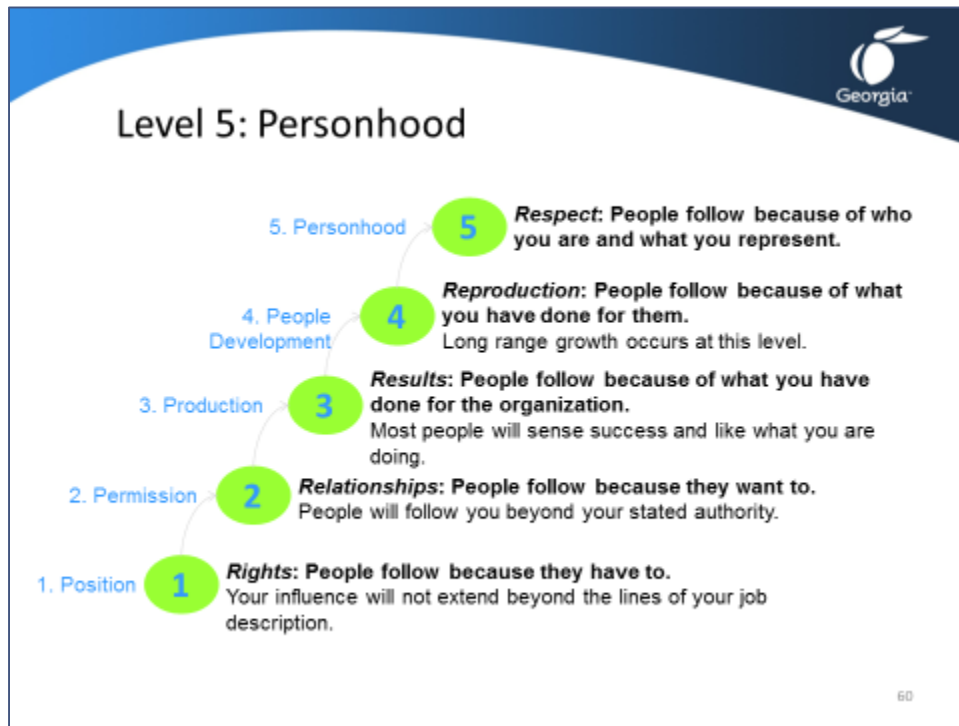
The Five Levels of Leadership – John Maxwell
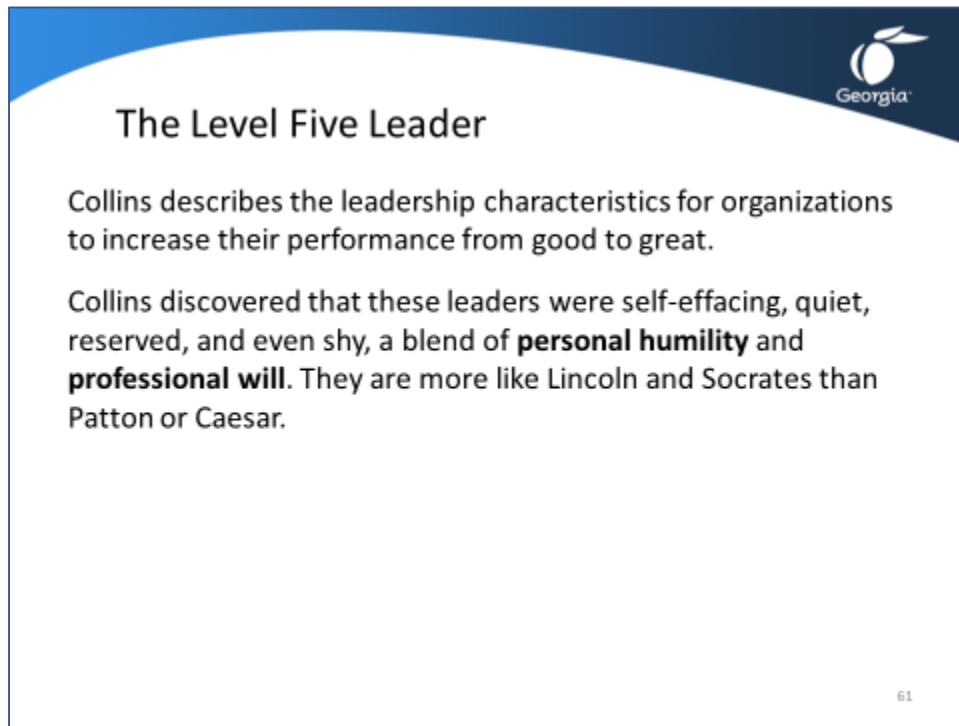
Level 5 – Personhood

Only a lifetime of proven leadership will allow us to sit a level 5. It is achievable. Those who achieve this level are bigger than life.

Level 5 states, *"People follow because of who you are and what you represent."*
It should be our goal to serve at the pinnacle of leadership.[43]

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[43] J. Maxwell, *Developing the Leader within You* (Nashville, Thomas Nelson, Inc., 1993), p 11

Topic 2: Current Models Used to Apply Leadership

The Level Five Leader – Jim Collins

Jim Collins is a best-selling author who describes the characteristics of great organizations in his book *Good to Great.* Collins describes what he believes it requires for organizations to increase their performance from good or even mediocre to that of greatness. In his research he discovered that a paradox seems to exist when it came to the leadership skills required to turn a good organization into a great one. Collins discovered that these leaders were self-effacing, quiet, reserved, and even shy, a blend of personal humility and professional will. They are more like Lincoln and Socrates than Patton or Caesar.[44]
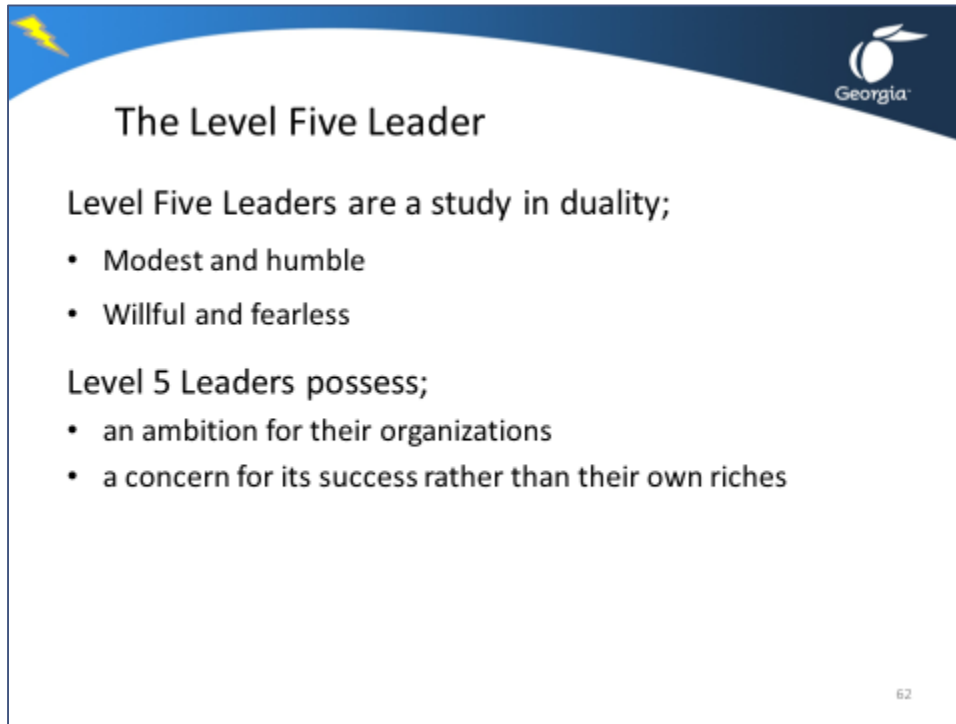
This section will explore this model of leadership and the distinguishing traits of Level 5 leaders and how you can use this to advance your development as a leader.

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[44] J. Collins, *Good to Great* (New York, HarperCollins Publishers, 2001), p 12,13

Topic 2: Current Models Used to Apply Leadership

The Level Five Leader – Jim Collins

Personal Humility + Professional Will = Level 5
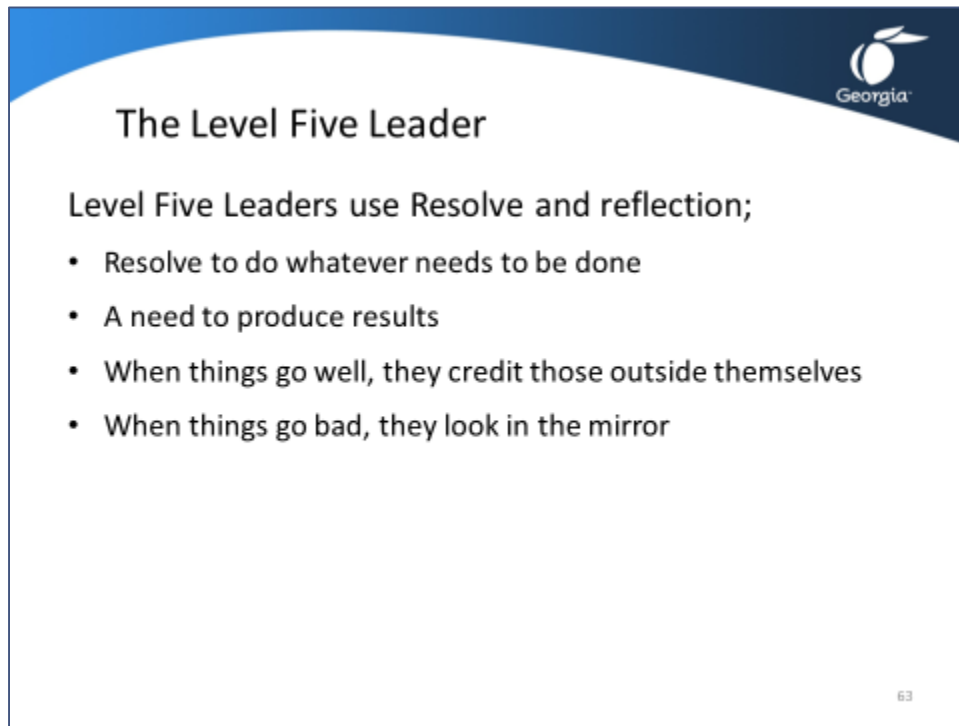
Level 5 leaders are a study in duality: modest and willful, humble and fearless. They do not capitulate when attacked, choosing rather to fight for the future greatness of their organization rather than their own gain.

Level 5 leaders have an ambition for their organizations first and foremost and a concern for its success rather than their own riches or personal renown. They want to see the organization even more successful in the next generation, comfortable with the idea that most people won't even know that the roots of that success trace back to their efforts.[45]

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[45] J. Collins, *Good to Great* (New York, HarperCollins Publishers, 2001), p 22-26

Topic 2: Current Models Used to Apply Leadership

The Level Five Leader – Jim Collins

Unwavering Resolve To Do What Must Be Done

Level 5 leadership is also about ferocious resolve to do whatever needs to be done to make the organization great. They have an incurable need to produce results.

The Window and the Mirror

Level 5 leaders look out the window to apportion credit to factors outside themselves when things go well. At the same time, they look in the mirror to apportion responsibility, never blaming bad luck when things go poorly.[46]

Can you learn to become a Level 5 leader?

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[46] J. Collins, *Good to Great* (New York, HarperCollins Publishers, 2001), p 30-35

Topic 2: Current Models Used to Apply Leadership

The Level Five Leader – Jim Collins

Summary: The Two Sides of Level 5 Leadership

Professional Will	Personal Humility
Creates superb results, a clear catalyst in the transition from good to great	Demonstrates a compelling modesty, shunning public adulation; never boastful
Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term result, no matter how difficult	Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate
Sets the standard of building an enduring great organization; will settle for nothing less	Channels ambition into the organization, not the self, sets up successors for even greater success in the next generation
Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck	Looks out the window, not in the mirror, to apportion credit for the success of the organization – to other people, external factors, and good luck[47]

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[47] J. Collins, *Good to Great* (New York, HarperCollins Publishers, 2001), p36

Exercise 3.3: Using Leadership Models

Instructions:
Answer the following questions related to the previously discussed Leadership Models

1. What three things could you do on your project that uses the Kouzes & Posner Model?

   _____

   _____

   _____

   _____

   _____

2. Using the Maxwell Five Levels of Leadership model, describe what level of leadership you think you are at?

   _____

   _____

   _____

   _____

   _____

3. Consider the Level 5 Leader model by Collins and describe how you could use one of the Professional Will categories on your project.

   _____

   _____

   _____

   _____

   _____

Lesson 3 Summary: Learning Objectives Recap

- **Recognize a leadership theory by the characteristics of the theory**
  - **Autocratic** - manager retains as much power and decision-making authority
  - **Bureaucratic** - manager does things "by the book"
  - **Democratic** - manager and staff work together to decide on what is to be done
  - **Laissez-Faire** - manager provides little or no direction and gives the staff as much freedom as possible
  - **Situational** - leadership depends upon each individual situation, and no single leadership style can be considered the best

- **Discuss current leadership models and how they apply**
  The Five Practices of Leadership – Kouzes & Posner
  - Model the Way
  - Inspire a Shared Vision
  - Challenge the Process
  - Enable Others to Act
  - Encourage the Heart

  The Five Levels of Leadership – John Maxwell
  - Level 1 - Position
  - Level 2 - Permission
  - Level 3 - Production
  - Level 4 – People Development
  - Level 5 – Personhood

  The Level Five Leader – Jim Collins

Professional Will	Personal Humility
Creates superb results, a clear catalyst in the transition from good to great	Demonstrates a compelling modesty, shunning public adulation; never boastful
Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term result, no matter how difficult	Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate
Sets the standard of building an enduring great organization; will settle for nothing less	Channels ambition into the organization, not the self, sets up successors for even greater success in the next generation
Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck	Looks out the window, not in the mirror, to apportion credit for the success of the organization – to other people, external factors, and good luck

Notes

LESSON 4: COMMUNICATIONS AS A LEADERSHIP TOOL

Topic 1: Communication – A Leadership Discipline

Topic 2: Speed Matters

Topic 3: Project Communications

Student Learning Objectives

After completing this lesson you should be able to
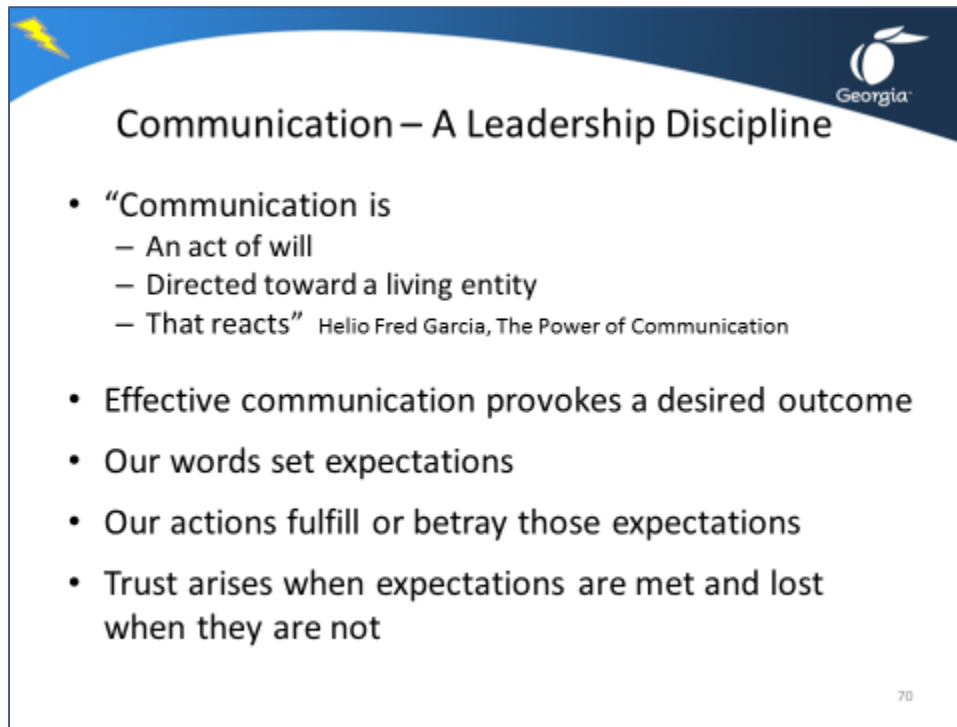
- Explain the role of effective communications as a leader
- Demonstrate the use of "first-mover advantage" when communicating to stakeholders

Approximate Presentation time: 1.25 hours

Topic 1: Communication – A Leadership Discipline

In his book, *The Power of Communication*, Helio Fred Garcia describes communication as "… an act of will directed toward a living entity that reacts." He believes that communication is intentional, goal-oriented, and strategic. Communication is not about what one says. It is more about what one does or is observed doing; how we engage with stakeholders, including silence, inaction, and action.
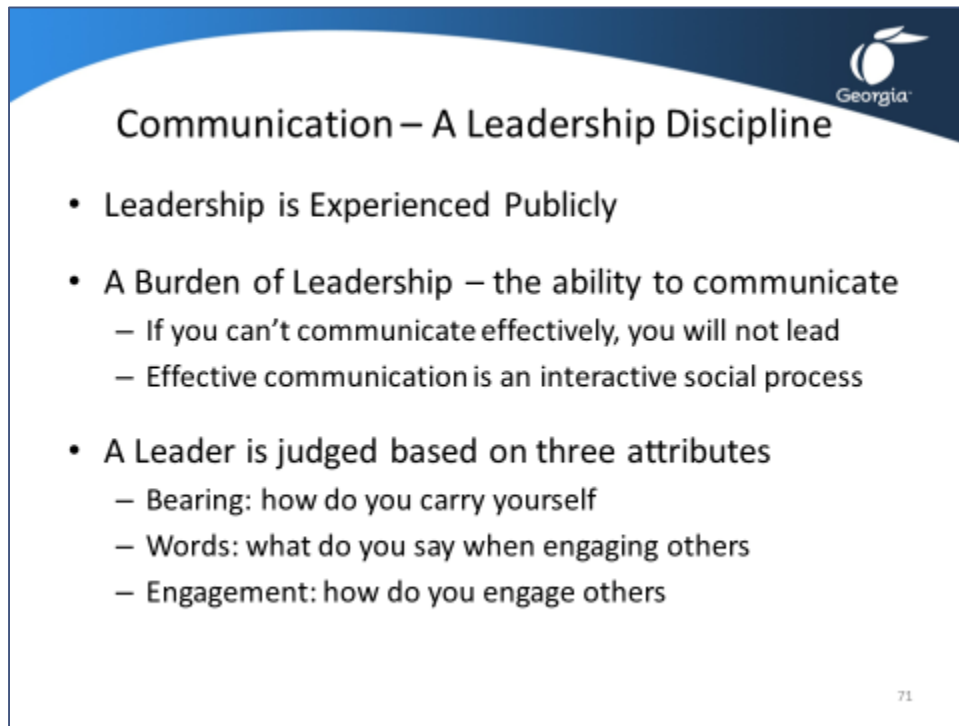
As leaders, we cannot make the mistake of thinking that an audience thinks as we do. Most do not. Understanding an audience and its preconceptions, and the barriers that might prevent them from accepting what we are saying is a key part of effective communication.

Garcia believes the primary purpose of communication is to change something, to provoke a reaction. Effective communication provokes the desired reaction; ineffective communication does not. Whatever the words one uses, we can count on audiences to compare the words to the speaker's own actions as well as to prior words. The words set expectations; the actions fulfill or betray those expectations. Trust arises when expectations are met and is lost when they are not.[48]

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[48] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p xxviii

Topic 1: Communication – A Leadership Discipline

Whatever else leadership may be, it is experienced publicly. While it may emanate from within, it is a public phenomenon. A burden of leadership is the ability to communicate; if you can't communicate effectively, you will not lead.

A leader is judged based on three leadership attributes:
1. A leaders bearing: how the leader carries himself or herself
2. The words the leader uses to engage others
3. The manner in which the leader engages others
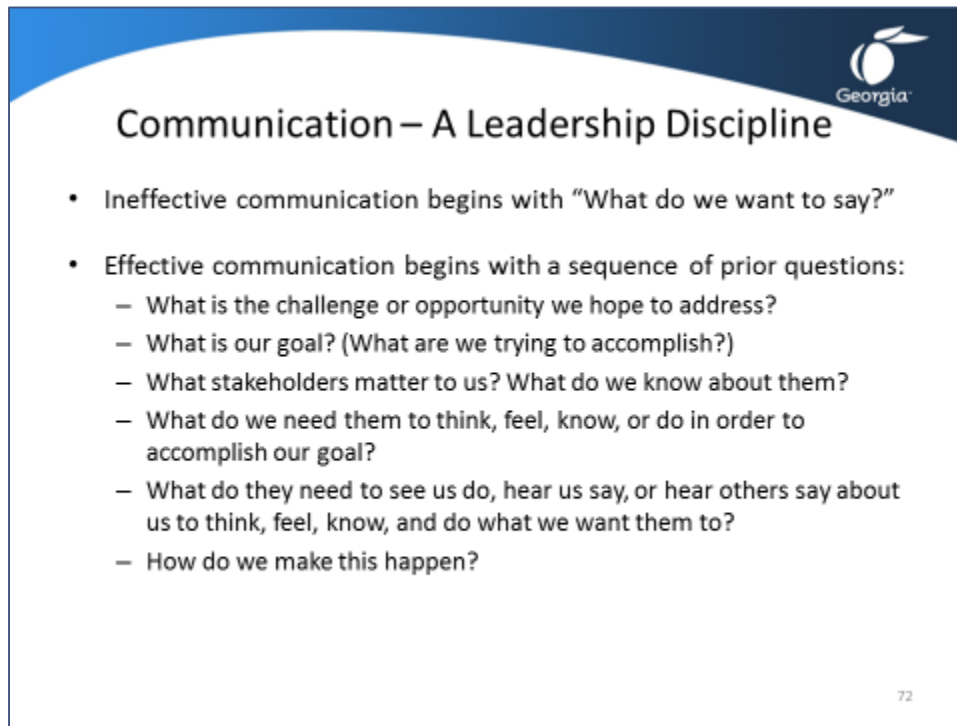
These are elements of effective communication. Effective communication isn't about pushing information to an audience. It isn't about facts, or data. It isn't about what sounds good in the moment. It isn't about spin. And it certainly isn't about what makes the speaker feel good.

Effective communication is fundamentally an interactive social process.[49]

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[49] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p xxix, xxx, 3

Topic 1: Communication – A Leadership Discipline

Effective communication is strategic in nature. Strategy is a process of ordered thinking: of thinking in the right order.
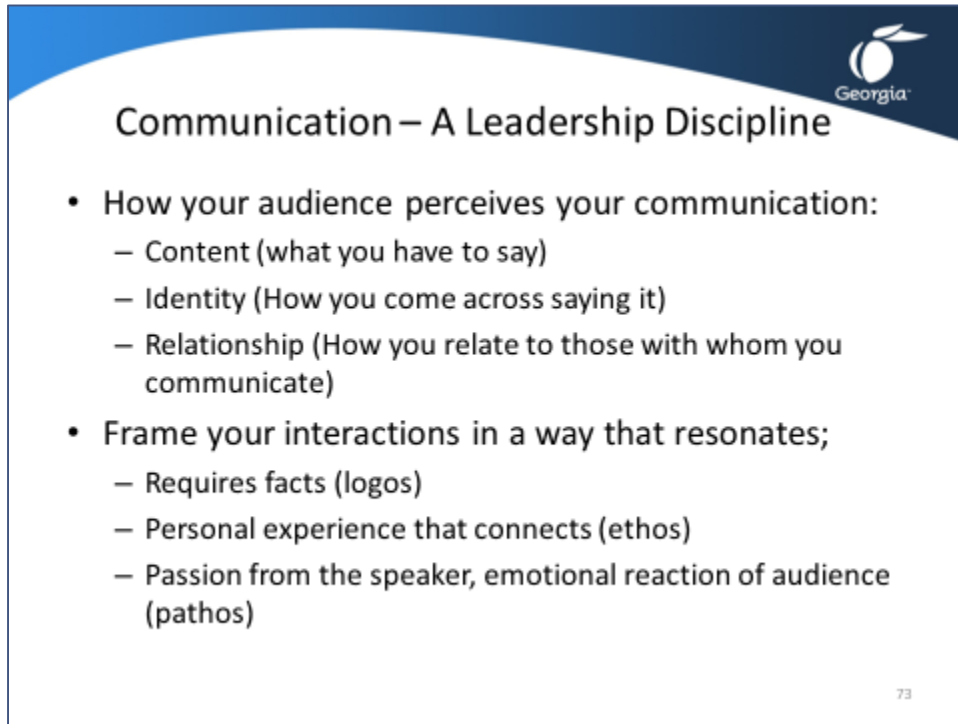
Ineffective communication begins with "What do we want to say?" This is the wrong order: it starts where thinking should ultimately end up. Effective communication begins with a sequence of prior questions:

- What do we have? What is the challenge or opportunity we are hoping to address?
- What do we want? What is our goal? Communication is merely the continuation of business by other means. We shouldn't communicate unless we know what we are trying to accomplish.
- Who matters? What stakeholders matter to us?
- What do we need them to think, feel, know, or do in order to accomplish our goal?
- What do they need to see us do, hear us say, or hear others say about us to think, feel, and do what we want them to?
- How do we make that happen?[50]

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[50] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 3,4

Topic 1: Communication – A Leadership Discipline

An effective leader knows how to connect with an audience on the things the audience cares about. Communication comes across on three levels to an audience: content (what you have to say), identity (how you come across saying it) and relationship (how you relate to those with whom you communicate).[51]

Another leadership discipline of communication is to take your audience seriously. The effective communicator does this by framing all interactions in ways that resonate with an audience. This requires facts, reasoning, argument, and data (logos). But it also requires some element of personal character or experience that connects the speaker to the audience (ethos). And it requires a passion on the speaker's part that triggers an emotional reaction with the audience (pathos).[52]

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[51] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 27
[52] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 53

Topic 2: Speed Matters

Speed matters, especially in controversial situations. The longer it takes to fulfill legitimate stakeholder expectations, the harder it is to win, maintain, or restore trust. Leaders all too often allow a delicate situation to linger too long. They may worry about embarrassment, litigation, or being fired and become paralyzed with fear and either make poor decisions or no decision.

Speed isn't just acting quickly. Impulsive communication is counterproductive. Rather, speed is best understood as tempo: the consistent ability to be effective in a timely way. Speed is about acting effectively and engaging stakeholders promptly. The speed with which you communicate can prevent a negative event from becoming a tragedy, or worse.

It is precisely in high-stakes situations that stakeholders, critics, and adversaries look for leadership in the form of effective communication.
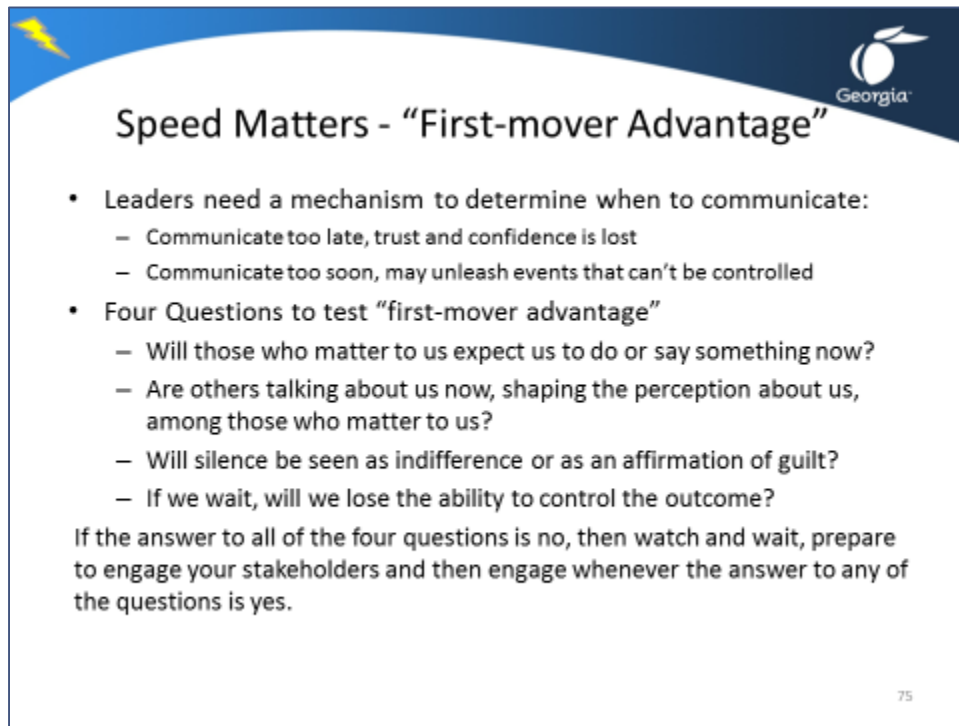
The most obvious way to seize and maintain the initiative is to communicate first and keep communicating.[53]

A mechanism for leaders to determine when to communicate is "The First-mover Advantage".

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[53] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 79,80

Topic 2: Speed Matters

The first-mover advantage applies particularly in crisis situations. Whoever is first to define the crisis, the motives, and the next steps typically wins. Communicate too late and you lose the trust and confidence of your stakeholders; too soon and you may unleash a set of events beyond your control.

Here is a four-question test to use a "first-mover advantage" approach for stakeholder expectations:
1. Will those who matter to us expect us to do or say something now? If so, we need to act and communicate now.
2. Are others talking about us now, shaping the perception about us, among those who matter to us? Do we have reason to believe they will be soon? If so, we need to communicate quickly and fully before others define the crises, our motives, or our actions.
3. Will silence be seen as indifference or as an affirmation of guilt? If so, we need to not be silent, but rather to engage fully to prevent the perception of indifference.
4. If we wait, will we lose the ability to control the outcome? If so, we should not wait.

If the answer to all of the four questions is no, then the leader should watch and wait, prepare to engage stakeholders, and then engage whenever the answer to any of them turns from no to yes. At that point the leader must engage stakeholders effectively and quickly.

The first-mover advantage prevents critics and adversaries from framing the situation. Leaders need to define the crisis, their motives, and their actions first, consistently, and persistently.[54]

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[54] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 79,80

Exercise 4.1: Leadership Communications

Instructions:

Read the scenario below and be prepared to discuss the questions that follow.

You are the new Director of the Division of Child Safety. The manager of the Eastern regional office has just sent you an email describing two occasions of severe child neglect in her region. Both instances were reported by the local hospital's emergency room doctor to the regional office case worker. The doctor is threatening to report the incident to the police and call a local news reporter. He states these instances seem to recur frequently and he doesn't think DCS is paying attention to this epidemic of abuse. A few minutes after you receive the email your phone rings, it is Bill "Snoop" Billows from the newspaper and he would like an interview to discuss this breaking situation plaguing the community. You have arranged an interview with Bill that afternoon.

1. Using the four question test for whether to use the "first-mover advantage" approach determine a plan of action.

   _____

   _____

   _____

   _____

   _____

   _____

2. Using a strategic approach to effective communication, answer the following questions to help determine a plan of action.

   What do we have? What is the challenge or opportunity we are hoping to address?

   _____

   _____

   _____

   What do we want? What is our goal?

   _____

   _____

   _____

Who matters? What stakeholders matter to us?

_____

_____

_____

What do we need them to think, feel, know, or do in order to accomplish our goal?

_____

_____

_____

What do they need to see us do, hear us say, or hear others say about us to think, feel, and do what we want them to?

_____

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How do we make that happen?

_____

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Topic 3: Project Communications
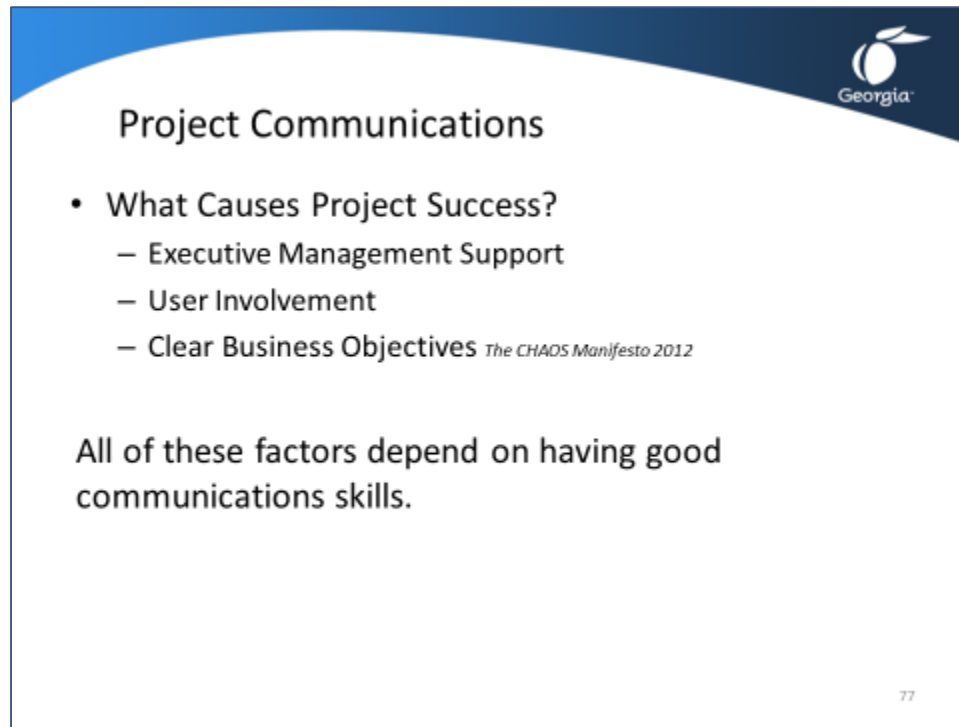
Many experts agree that the greatest threat to the success of any project is a failure to communicate. The 2012 Standish Group study found the three major factors related to project success were executive management support, user involvement, and clear business objectives.[55] All of these factors depend on having good communications skills.
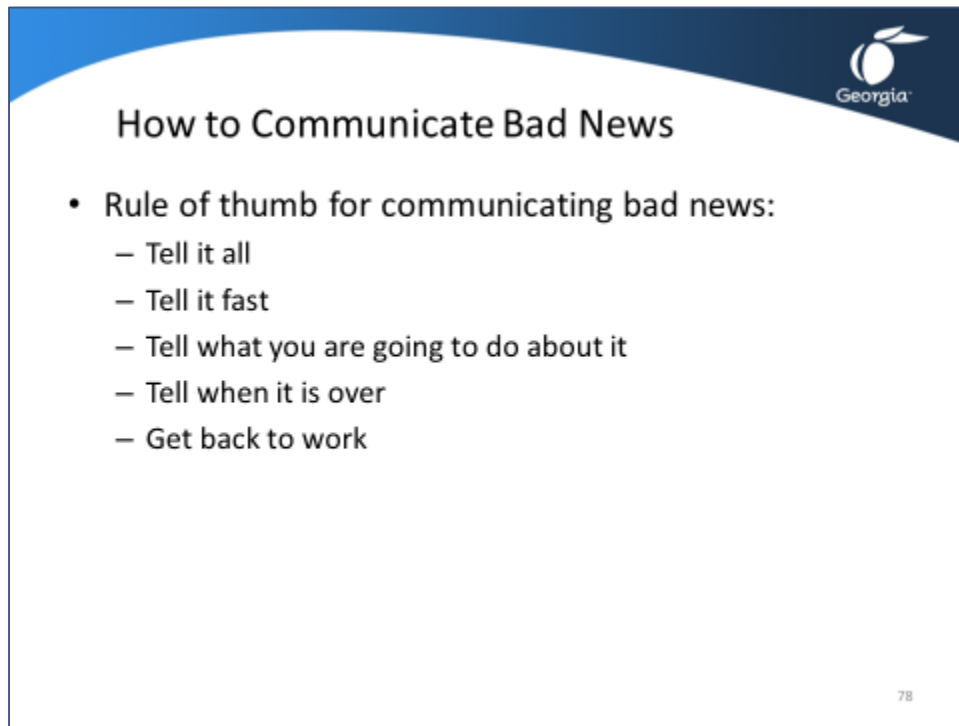
An article in the *Journal of Information Systems Education* on the importance of communications skills presented the following conclusion:

> Based on the results of this research we can draw some general conclusions. First, it is evident that IS professionals engage in numerous verbal communication activities that are informal in nature, brief in duration, and with a small number of people at a time. Second, we can infer that most of the communication is indeed verbal in nature but sometimes it is supported by notes or graphs on a board or a handout and also by computer output. Third, it is clear that people expect their peers to listen carefully during a conversation and respond correctly to the issues at hand. Fourth, all IS professionals must be aware of the fact that they will have to engage in some form of informal public speaking. Fifth, it is evident that IS professionals must be able to communicate effectively in order to be successful in their current position but they must also be able to do so in order to move to higher positions. Since our respondents, on average, seem to have moved throughout there is career, from lower to higher positions, and they ranked verbal skills more important for their advancement than for their current job, the ability to communicate verbally seems to be the key factor in career advancement.[56]

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[55] The Standish Group, *The CHAOS Manifesto 2012*, p 4

[56] M. Sivitanides,J. Cook, R. Martin, and B. Chiodo, "Verbal Communication Skills Requirements for Information Systems Professionals," *Journal of Information Systems Education* (Spring 1995), p 7(1)

Topic 3: Project Communications

Part of getting the "first-mover advantage" right is to anticipate stakeholders' reactions and adapt communications to neutralize those concerns. One are project managers do not communicate well is reporting bad news to stakeholders.

Here is the rule of thumb for communicating bad news:
- Tell it all: Say all that is necessary to establish stakeholder understanding, buy-in, and acceptance
- Tell it fast: Getting all the news out at once, in a single news cycle, and prevent dripping out new details over time
- Tell 'em what you're doing about it:
- Tell 'em when it's over:
- Get back to work

Failing to meet stakeholder expectations can cause them to lose trust and confidence.[57]

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[57] H. Garcia, *The Power of Communication* (Upper Saddle River, Pearson Education, 2012), p 128

Exercise 4.2: Project Communications

Instructions:

Read the scenario below and be prepared to discuss the questions that follow.

The project has advanced into the Execution phase and you have just received an email from the systems development group stating they are having serious issues with the interfaces from the new web application to the legacy inventory management system. It seems not all of the interfaces were identified causing inaccurate inventory levels when testing the order processing function. The developers will be reporting this to their vice-president John Crusher in their weekly team meeting. John is a rival of Bill Self and would love to throw a monkey wrench into the project. You have three days before John finds out about the issue and informs the CEO about the problems with the new project.

1. Using the four question test for whether to use the "first-mover advantage" approach determine a plan of action.

_____

_____

_____

_____

_____

2. Use the rule of thumb for communicating bad news and frame a communique regarding the issue at hand.

_____

_____

_____

_____

_____

Lesson 4 Summary: Learning Objectives Recap

- **Explain the role of effective communications as a leader**
  Effective communication begins with a sequence of prior questions:
  - What do we have? What is the challenge or opportunity we are hoping to address?
  - What do we want? What is our goal? Communication is merely the continuation of business by other means. We shouldn't communicate unless we know what we are trying to accomplish.
  - Who matters? What stakeholders matter to us?
  - What do we need them to think, feel, know, or do in order to accomplish our goal?
  - What do they need to see us do, hear us say, or hear others say about us to think, feel, and do what we want them to?
  - How do we make that happen?

- **Demonstrate the use of "first-mover advantage" when communicating to stakeholders**
  Leaders need a mechanism to determine when to communicate: Communicate too late and they lose the trust and confidence of their stakeholders; too soon and the may unleash a set of events beyond their control. Here is a four-question test to use a "first-mover advantage" approach for stakeholder awareness and expectations:

  1. Will those who matter to us expect us to do or say something now? If so, we need to act and communicate now.
  2. Are others talking about us now, shaping the perception about us, among those who matter to us? Do we have reason to believe they will be soon? If so, we need to communicate quickly and fully before others define the crises, our motives, or our actions.
  3. Will silence be seen as indifference or as an affirmation of guilt? If so, we need to not be silent, but rather to engage fully to prevent the perception of indifference.
  4. If we wait, will we lose the ability to control the outcome? If so, we should not wait.

  If the answer to all of the four questions is no, then the leader should watch and wait, prepare to engage stakeholders, and then engage whenever the answer to any of them turns from no to yes. At that point the leader must engage stakeholders effectively and quickly.

Notes

LESSON 5: LEADING THE PROJECT TEAM

Topic 1: Project Human Resource Management

Topic 2: Project Organizational Planning

Topic 3: Project Team Development

Topic 4: Managing the Project Team
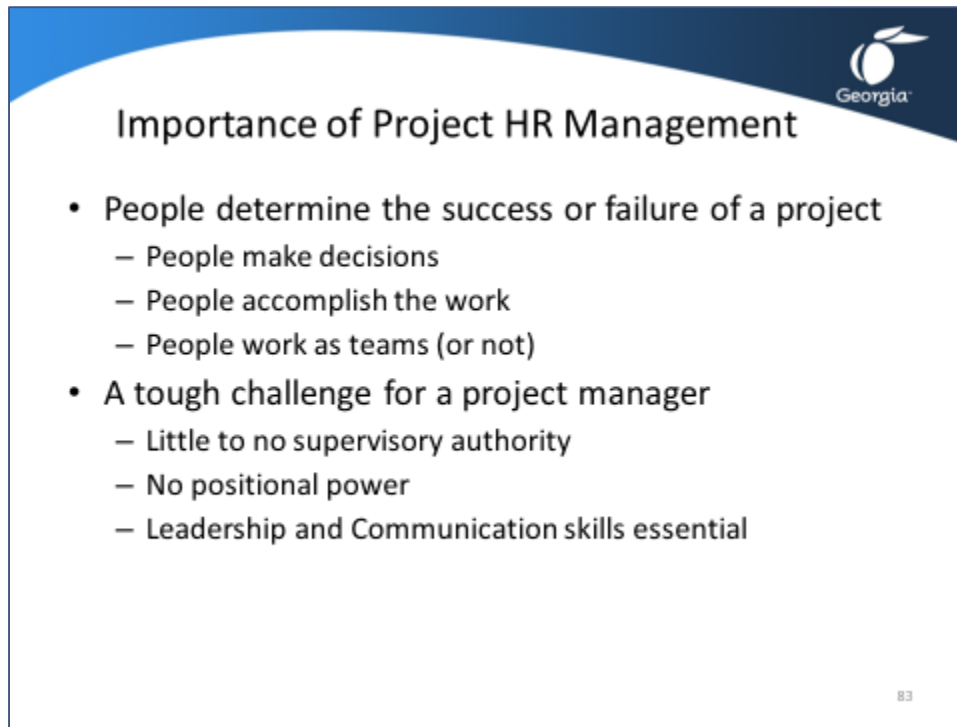
Student Learning Objectives

After completing this lesson you should be able to

- Explain why project human resource management is important
- Identify the processes of project human resource management
- Identify aspects of project organizational planning
- Identify team development techniques the project manager uses

Approximate Presentation time: 2.0 hours

Topic 1: Project Human Resource Management

The one thing you will usually hear in any organization is "People are our most important asset." People determine the success and failure of organizations and projects. Most project managers would agree that managing human resources effectively is one of the toughest challenges they face.

This make project human resource management a vital component of project management. If people truly are an organizations greatest asset, they must work to fulfill their human resource needs and the needs of the individual people in their organization. Proactive organizations are addressing current and future human resource needs by; improving benefits, and redefining work hours and incentives.[58]

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[58] K Schwalbe, *Information Technology Project Management 3rd Edition* (Boston, Thomson Learning, Inc., 2004), p 306,310

Topic 1: Project Human Resource Management
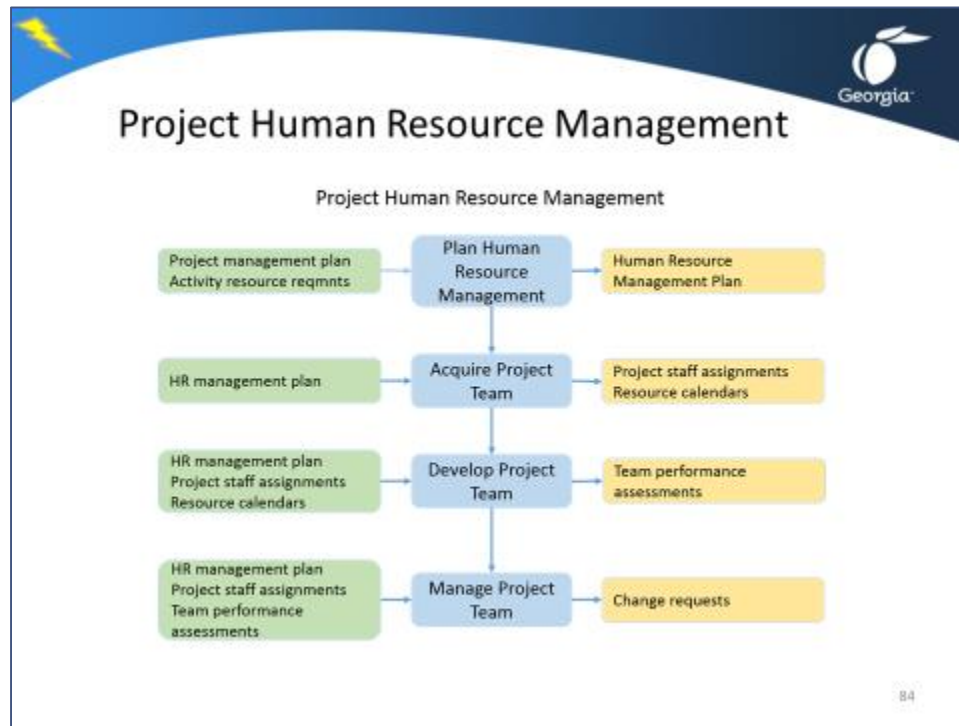
Project Human Resource Management includes the processes that organize, manage, and lead the project team. Project Human Resource Management includes all stakeholders; sponsors, customers, project team members, support staff, and suppliers.

Project Human Resource Management involves the following four processes;
- **Plan Human Resource Management** – Identify and document project roles, responsibilities, required skills, reporting relationships, and creating a staff management plan.
- **Acquire Project Team** – confirm availability of human resources and obtain the team necessary to complete project activities.
- **Develop Project Team** – improve competencies, team member interactions, and overall team environment to enhance project performance.
- **Manage Project Team** – tracking team member performance, providing feedback, resolving issues, and managing changes to optimize project performance.[59]

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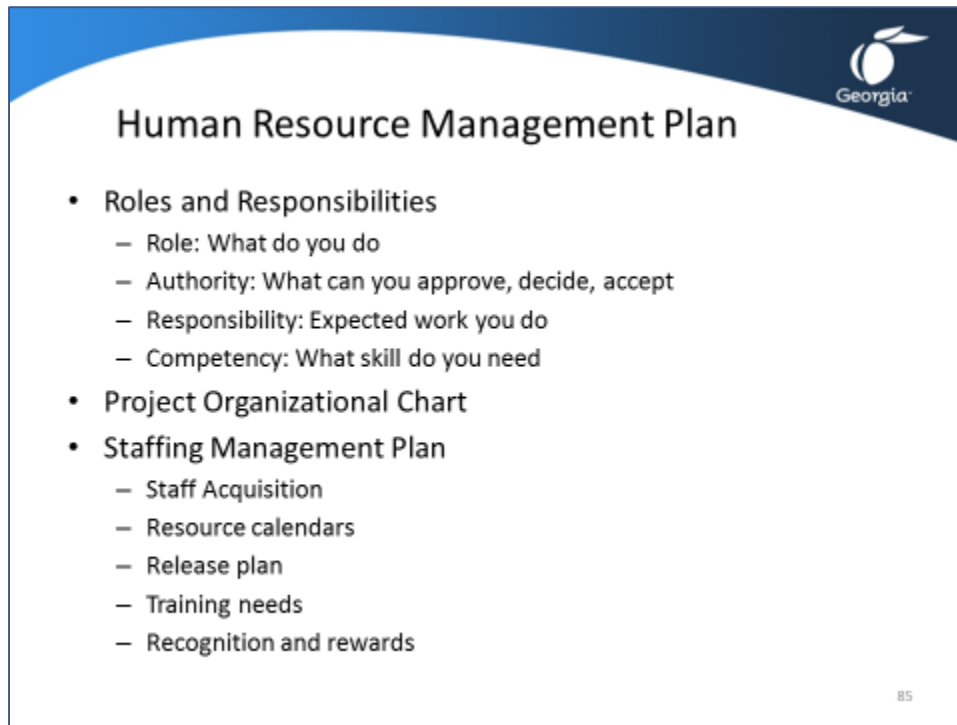
[59] *PMBOK® Guide* p 255

Project Human Resource Management

	Plan Human Resource Management	
Project management plan Activity resource reqmnts	→	Human Resource Management Plan

	Acquire Project Team	
HR management plan	→	Project staff assignments Resource calendars

	Develop Project Team	
HR management plan Project staff assignments Resource calendars	→	Team performance assessments

	Manage Project Team	
HR management plan Project staff assignments Team performance assessments	→	Change requests

Based on figure 9-1, *PMBOK® Guide* p257

Topic 2: Project Organizational Planning

Planning Human Resource management identifies and documents project roles, responsibilities, required skills, reporting relationships, and creates a staffing management plan. The key benefit from this effort is that project roles and responsibilities, project organization charts and a staffing management plan are established. The human resource management plan contains the following items:

- Roles and responsibilities – the following should be addressed;
  - Role – the function assumed by a person on the project
  - Authority – the right to apply project resources, make decisions, sign approvals, accept deliverables, and influence others
  - Responsibility – the assigned duties and work that a team member is expected to perform
  - Competency – the skill and capacity required to complete assigned work
- Project organization charts – a graphical display of team members and their reporting relationships
- Staffing management plan – describes when and how team members will be acquired and how long they will be needed
  - Staff acquisition: internal/external
  - Resource calendars: resource availability
  - Staff release plan: method and timing of releasing team members
  - Training needs: team members may need additional competencies and a plan to train them should be developed
  - Recognition and reward: Criteria for rewards and a planned system to use them as a means to reinforce desired behaviors
  - Compliance: strategies for complying with applicable regulations
  - Safety: procedures that protect team members from safety hazards

Topic 2: Project Organizational Planning
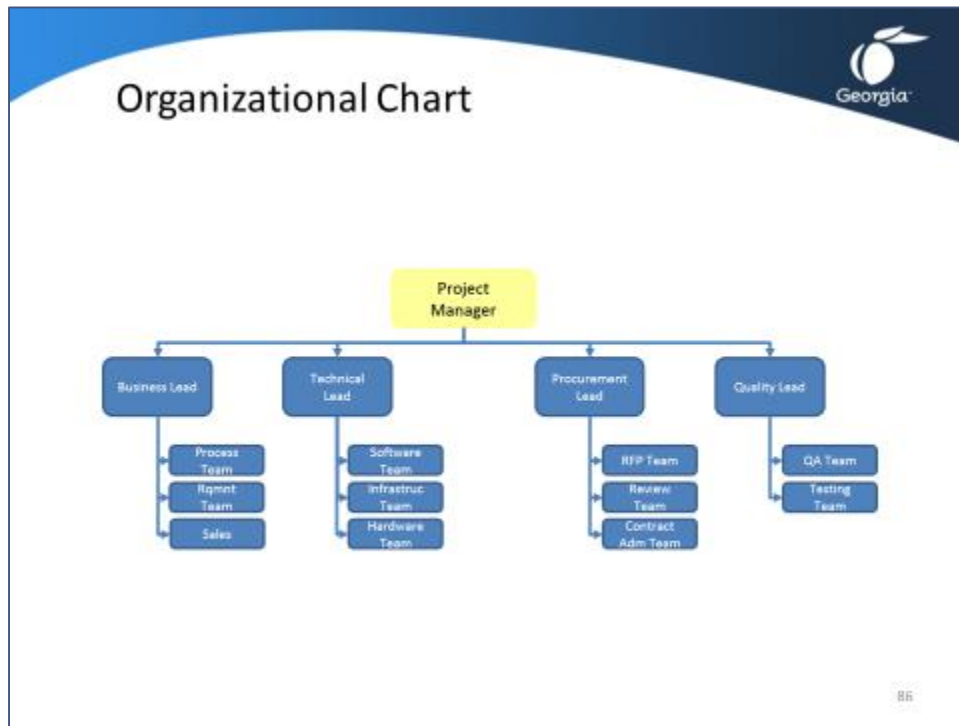
Organizational Charts

Various forms exist to document team member roles and responsibilities. These fall into usually one of three types; hierarchical, matrix, and text-oriented. The traditional organizational chart, depicted below, can be used to show positions and relationships in a graphical, top-down format.[60]

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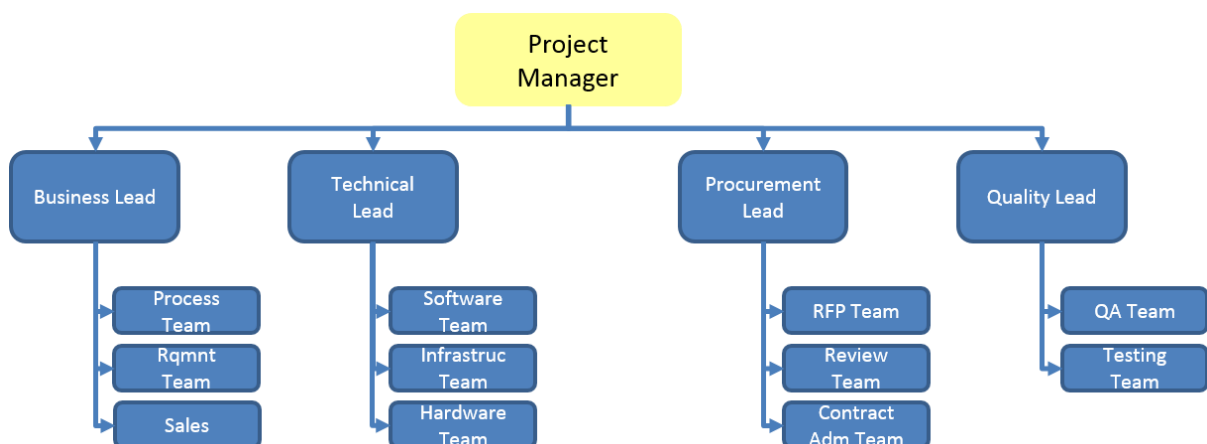
[60] *PMBOK® Guide* p261

Topic 2: Project Organizational Planning

Responsibility Assignment Matrix (RAM)

One example of a RAM is a RACI (responsibility, accountable, consult, inform) chart shown below. The chart shows the work to be done in the left column as activities. The assigned resources can be shown as individuals or groups. A RACI chart is a useful tool to use when the team consists of internal and external resources in order to ensure clear divisions of roles and responsibilities.[61]

RACI Chart	Person				
Activity	Ann	Ben	Carlos	Dina	Ed
Create charter	A	R	I	I	I
Collect requirements	I	A	R	C	C
Submit change request	I	A	R	R	C
Develop test plan	A	C	I	I	R

R = Responsible   A = Accountable   C = Consult   I = Inform
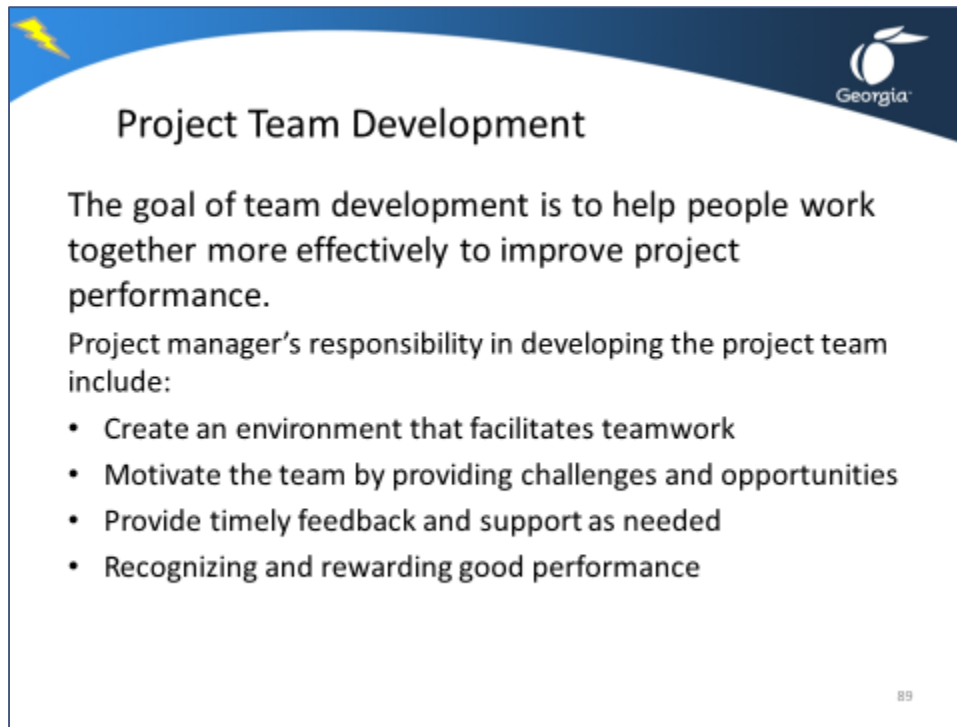
Figure 9-5. RACI Matrix

A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – Fifth Edition. ©2013 Project Management Institute, Inc. All rights reserved.

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[61] *PMBOK® Guide* p262

Exercise 5.1: Planning Project Leadership at Speedy Office Supplies

Instructions:

Given the information in the case study develop the following items for the Web Expansion project at Speedy Office Supplies;

- Project Manager role description, authority, responsibility, and competency needed
- Project Organizational Chart

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Project Organizational Chart

Topic 3: Project Team Development

Development of the project team involves improving competencies, team member interaction, and overall improvement of the team environment. The goal of team development is to help people work together more effectively to improve project performance. Project manager's responsibility in developing the project team include:
- Create an environment that facilitates teamwork
- Motivate the team by providing challenges and opportunities
- Provide timely feedback and support as needed
- Recognizing and rewarding good performance
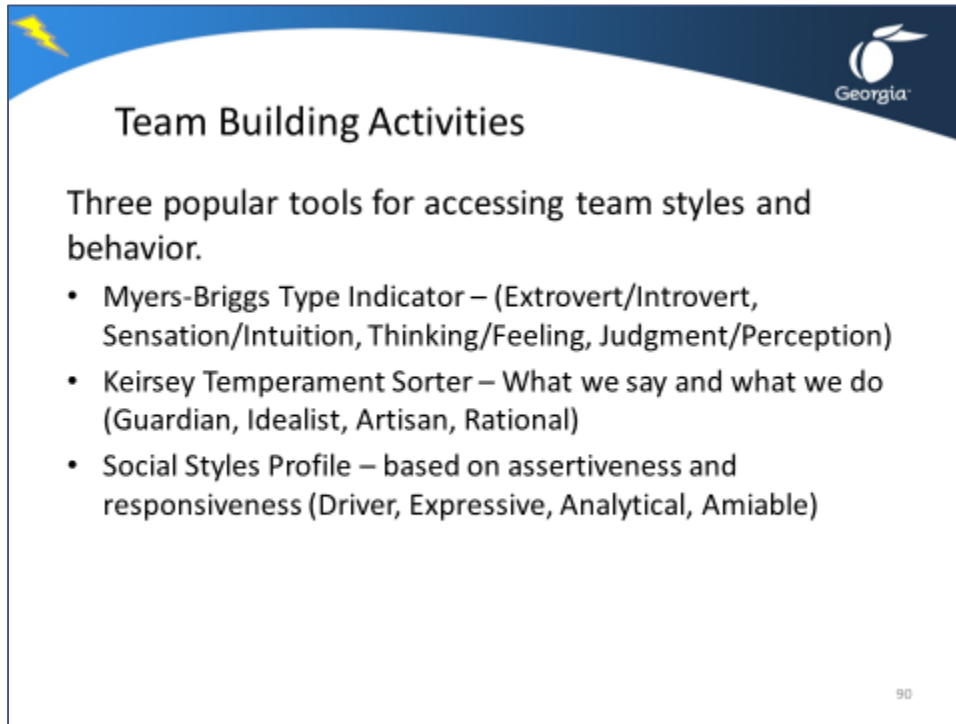
Objectives of developing a project team include the following:
- Improving knowledge and skills of team members
- Improving feelings of trust and agreement among team members
- Creating a dynamic, cohesive, and collaborative team culture to
    - Improve individual and team productivity, team spirit, and culture
    - Allow cross training and mentoring between team members[62]

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[62] *PMBOK® Guide* p 273, 274

Topic 3: Project Team Development

Many organizations provide in-house team building activities or use services provided by external providers that specialize in this area. Two common approaches to team building activities include using physical challenges and psychological preference indicator tools.[63]

Three of the more popular of these tools are the **Myers-Briggs Type Indicator**, which determines personality preferences and uses four primary categories;
- Extrovert/Introvert – where you draw your energy from; others (extrovert) or inside self (introvert)
- Sensation/Intuition – how you gather information; S-facts, details; N-hunches, intuition
- Thinking/Feeling – how you make judgments; T-objective, F-subjective and personal
- Judgment/Perception. – attitude toward structure; J-establish deadlines, P-open and flexible

The second is the **Keirsey Temperament Sorter** developed by David Keirsey in 1988. The KTS-II is a personality type preference test based on work done by Jung, Myers, and Briggs. These temperaments are based on "what we say" and "what we do" and are categorized as;

- Guardians – speak mostly of duties and responsibilities; follow the rules and respect others
- Idealists – speak mostly of what they hope for and might be possible
- Artisans – speak of what they see in front of them, will do what works, may bend the rules
- Rationals – speak of new problems that intrigue them, pragmatic[64]

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[63] K Schwalbe, *Information Technology Project Management 3rd Edition* (Boston, Thomson Learning, Inc., 2004), p 336
[64] http://keirsey.com/4temps/overview_temperaments.asp
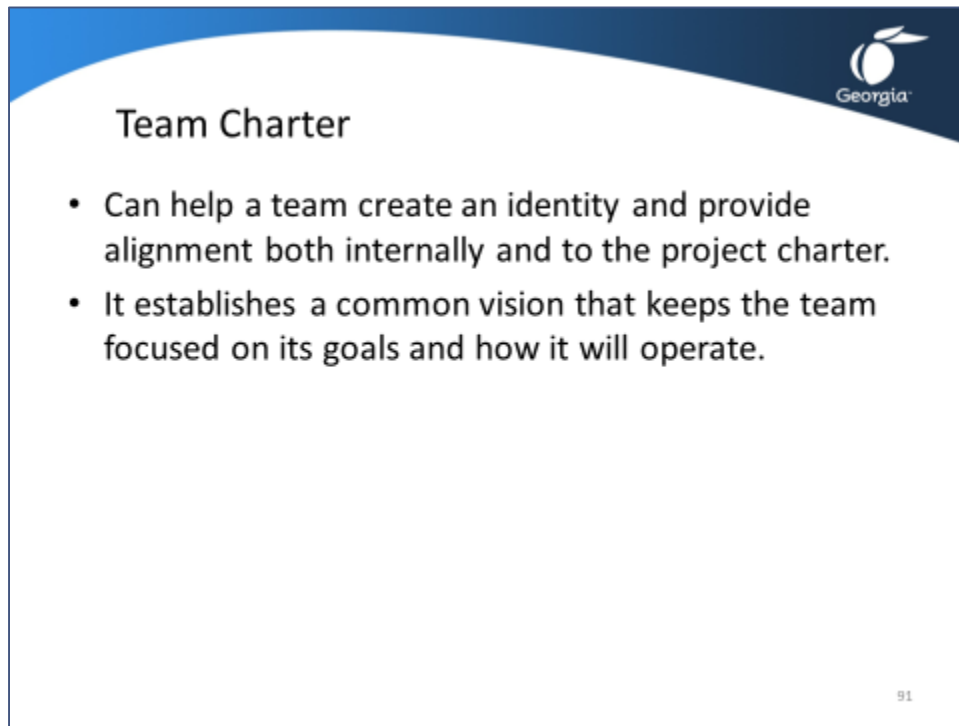
A third popular assessment tool is the Social Styles Profile. David Merrill describes people in four behavioral profiles, or zones, based on their assertiveness (Ask or Tell) and responsiveness (Task or People);

- Drivers – proactive (Tell) and task oriented, rooted in the present and strive for action
- Expressives – proactive (Tell) and people-oriented, future-oriented using intuition to look for fresh perspectives
- Analyticals – reactive (Ask) and task-oriented, past-oriented and strong thinkers
- Amiables – reactive (Ask) and people-oriented, time orientation varies and strongly value relationships[65]

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[65] H Robbins and M Finley, *The New Why Teams Don't Work: What Goes Wrong and How to Make It Right* (San Francisco, Berrett-Koehler Publishers, 1999)

Topic 3: Project Team Development

Team Charter

Something that can help a team create an identity and provide alignment both internally and to the project charter is a team charter. It establishes a common vision that keeps the team focused on its goals and how it will operate. It can be viewed as a subset of the Project Charter but can be a separate document. The Team Charter should be established early in the formation stages of the team.

The Team Charter should capture the following;
- The name of the team
- The shared purpose or goals of the team. What are the business issues the project is solving? How will success of the team be measured?
- He team's vision
- Positions of authority within and outside the team
- Interfaces within and outside the team; people and reporting relationships
- Expected resource and support needs to enable team success
- Identified constraints on the team
- Names of team members and their specific accountabilities and roles
- The decision process adopted by the team[66]
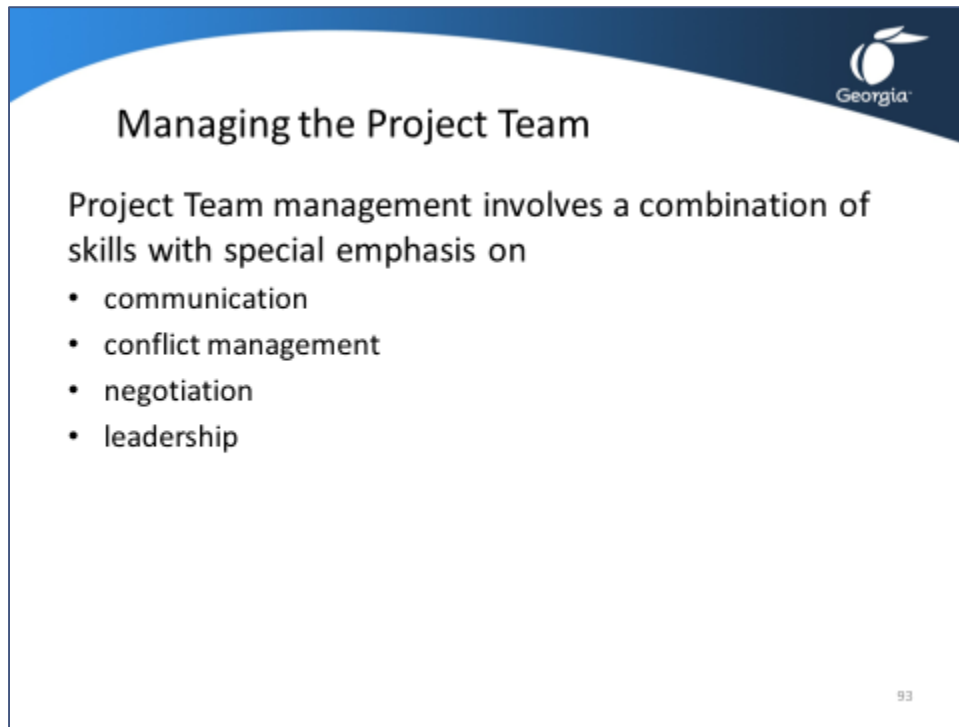
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[66] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p184-185

Exercise 5.2: Team Charter

Instructions:

Based on the information provided in Lesson 5 Topic 3, create a Team Charter for the Web Expansion Project at Speedy Office Supplies.

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Topic 4: Managing the Project Team

Managing the project team involves tracking team member performance, providing feedback, resolving issues, and managing team changes. Managing the project team requires a variety of skills for fostering teamwork and integrating the efforts of team members to create high-performance teams. Team management involves a combination of skills with special emphasis on communication, conflict management, negotiation, and leadership.[67]

One of the most important skills a project manager can possess is the ability to resolve conflicts. Conflicts are inevitable in a project environment. Conflicts can arise from various sources, such as resources, scheduling priorities, and personal work styles. Team ground rules, and group norms can reduce the amount of conflict. This section will deal with techniques to assist the project manager resolve conflict on the project.

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[67] *PMBOK® Guide* p279, 280

Topic 4: Managing the Project Team

Conflict Management

Successful conflict management results in greater productivity and positive working relationships. When managed properly, differences of opinion can lead to increased creativity and better decision making. There are five general techniques for resolving conflict as ascribed by the *PMBOK Guide®*, identified in the table below.

Withdraw/ Avoid	Retreating from an actual or potential conflict situation; postponing the issue to be better prepared or to be resolved by others.
Smooth/ Accommodate	Emphasizing areas of agreement rather than areas of difference; conceding one's position to the needs of others to maintain harmony and relationships.
Compromise/ Reconcile	Searching for solutions that bring some degree of satisfaction to all parties in order to temporarily or partially resolve the conflict.
Force/ Direct	Pushing one's viewpoint at the express expense of others; offering only win-lose solutions, usually enforced through a power position to resolve an emergency.
Collaborate/ Problem Solve	Incorporating multiple viewpoints and insights from differing perspectives; requires a cooperative attitude and open dialogue that typically leads to consensus and commitment.[68]

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[68] *PMBOK® Guide* p283

Exercise 5.3: Resolving Conflicts at Speedy Office Supplies

Instructions:
Given the scenario below, identify the type of conflict resolution technique being used.

Scenario 1.
The project has advanced into the Execution phase and you have just received an email from the systems development group stating they are having serious issues with the interfaces from the new web application to the legacy inventory management system. This is the third email you have received in two days. They want to setup a meeting with you to discuss how you are going to handle this problem. You really do not like working with the lead in this department because they come off as pushy and arrogant. You decide not to answer back, hoping they will resolve it on their own.

Conflict Resolution technique used: _____

Scenario 2.
The project is in the Requirements Gathering phase and two key stakeholders cannot agree on how to prioritize the requirement that the new web-based ordering system should allow a chat feature. You are facilitating this session and direct the group to look at the two viewpoints and discuss advantages and disadvantages of the feature from their perspective. You instruct the team that we will vote on the prioritization after the discussion.
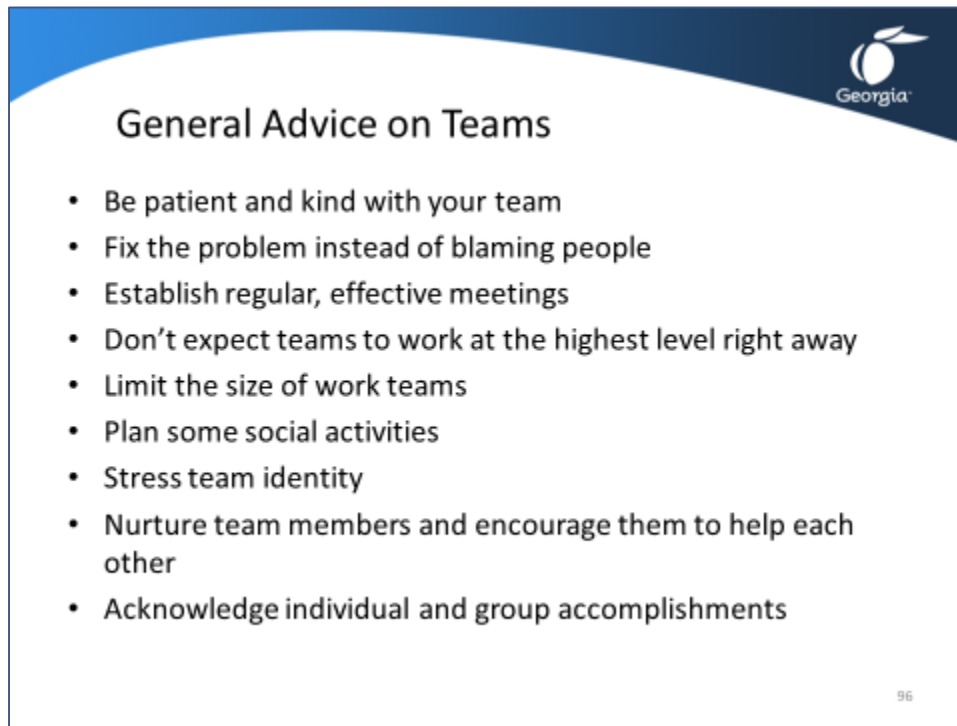
Conflict Resolution technique used: _____

Scenario 3.
The project is nearing the Testing phase and nearly all the deliverables have been completed. A highly influential stakeholder comes to you and tells you a new requirement has just been identified that he must have in order to have his expectations met. You know this will cause a delay in the project and add a substantial amount to the budget. You report the request and its impact to the sponsor to take to the Change Control Board meeting in two days. However the sponsor decides this is not necessary and orders you to implement this change anyway.

Conflict Resolution technique used: _____

Topic 4: Managing the Project Team

General Advice on Teams

Effective project managers must be good team builders. Suggestions for ensuring that teams are productive include the following:

- **Be patient and kind with your team**, and assume the best about people. Do not assume that your team is lazy and careless.
- **Fix the problem instead of blaming people**. Help people work out problems by focusing on behaviors.
- **Establish regular, effective meetings**. Focus on meeting project objectives and producing positive results.
- **Don't expect teams to work at the highest level right away**. Allow time for teams to go through the basic team-building stages of "forming, storming norming, and performing."
- **Limit the size of work teams** to three to seven members.
- **Plan some social activities** to help project team members and other stakeholders get to know each other better. Make the social events fun and not mandatory.
- **Stress team identity**. Create traditions that team members enjoy.
- **Nurture team members and encourage them to help each other**. Identify and provide training that will help individuals and the team as a whole become more effective.
- **Acknowledge individual and group accomplishments**.[69]

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[69] K Schwalbe, *Information Technology Project Management 3rd Edition* (Boston, Thomson Learning, Inc., 2004), p340
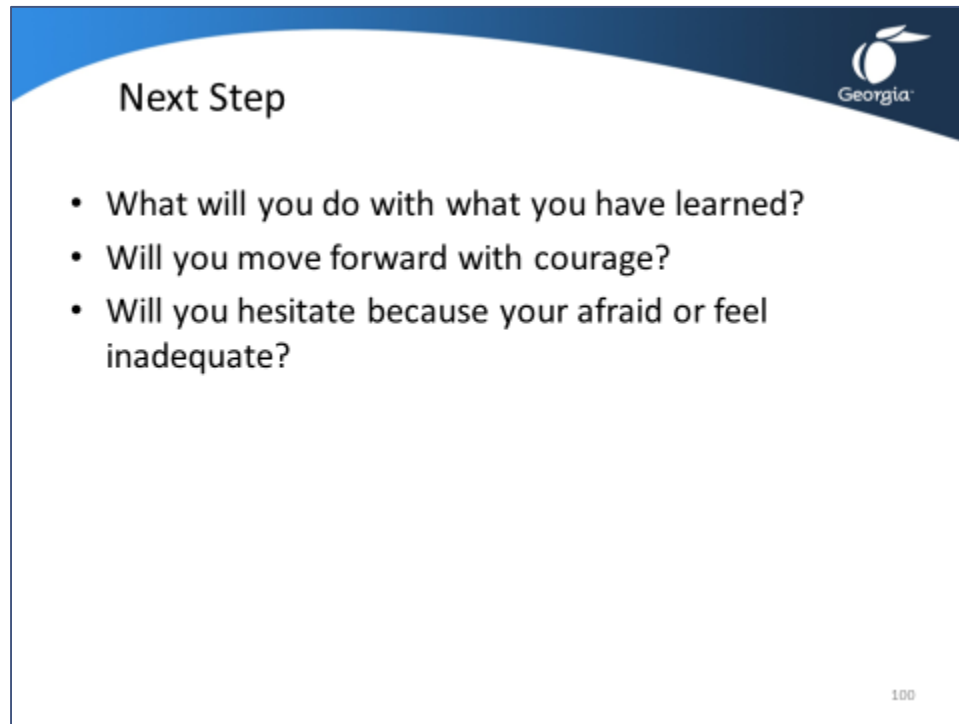
Lesson 5 Summary: Learning Objectives Recap

- **Explain why project human resource management is important**
  People determine the success and failure of organizations and projects. This make project human resource management a vital component of project management. If people truly are an organizations greatest asset, they must work to fulfill their human resource needs and the needs of the individual people in their organization

- **Identify the processes of project human resource management**
  Project Human Resource Management involves the following four processes;
  - **Plan Human Resource Management** – Identify and document project roles, responsibilities, required skills, reporting relationships, and creating a staff management plan.
  - **Acquire Project Team** – confirm availability of human resources and obtain the team necessary to complete project activities.
  - **Develop Project Team** – improve competencies, team member interactions, and overall team environment to enhance project performance.
  - **Manage Project Team** – tracking team member performance, providing feedback, resolving issues, and managing changes to optimize project performance.

- **Identify aspects of project organizational planning**
  Planning Human Resource management identifies and documents project roles, responsibilities, required skills, reporting relationships, and creates a staffing management plan.

- **Identify team development techniques the project manager uses**
  Development of the project team involves improving competencies, team member interaction, and overall improvement of the team environment. The project manager may use some of the following techniques;
  - team building activities include using physical challenges and psychological preference indicator tools
  - Something that can help a team create an identity and provide alignment both internally and to the project charter is a team charter
  - Successful conflict management results in greater productivity and positive working relationships

Notes

CONCLUSION

Right from the start it should be recognized that project management skills and project leadership skills go hand-in-hand – you cannot have one without the other – they are like links in a chain. The transition from a project manager to a project leader requires the ability to understand the past, attend to the present, and look to the future. The project environment is often chaotic, the leader needs to have a clear vision of where they want to go, and a clear strategy of how to get there.[70]

Are you ready to take this journey into project leadership? Yes, there are unknowns you will have to face. Do you have what it takes? Can I do the job? All of these questions that confirm our internal fears. Read this statement by Nelson Mandela, perhaps this will help.

"Our deepest fear is not that we are inadequate; our deepest fear is that we are powerful beyond measure, it is our light, not our darkness that frightens us.

We ask ourselves, who am I to be brilliant, gorgeous, talented, and fabulous? Actually, who are we not to be? You are a child of God. Your playing small doesn't serve the world.

There's nothing enlightened about shrinking so that other people won't feel insecure around you. We were born to manifest the glory of God within us. It is not just in some of us; it's in everyone. And as we let our own light shine, we unconsciously give other people permission to do the same.

As we are liberated from our own fear, our presence automatically liberates others."

Nelson Mandela

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[70] R. Burke & S. Barron, *Project Management Leadership: Building Creative Teams* (Cape Town, Burk Publishing, 2007), p36

APPENDIX I - EXERCISE ANSWERS

Exercise 1.1: Identify Leadership Terms and Concepts

Instructions:

Review the following terms and concepts and match them to their definition.

	Definition		Term/Concept
F	A leader's track record and ability to get things done is this characteristic	A	respect and trust, not fear and submission
E	your ideas will have more value, and others will look to you for leadership in that area	B	Positional Power Sources
H	a process of social influence, which maximizes the efforts of others, towards the achievement of a goal	C	What Leadership is not
A	According to PMBOK Guide® leadership is founded on	D	Tannenbaum & Schmidt Continuum model
C	Has nothing to do with titles	E	Expert Power
D	the relationship between the levels of freedom that a manager chooses to give to a team, and the level of authority used by the manager	F	Competent
B	Legitimate Power, Reward Power, Coercive Power	G	Managers
G	… have subordinates	H	A definition of leadership

Exercise 2.1: Organizational Environment at Speedy Office Supplies

Instructions:

Review the case study and be prepared to discuss the following items.

1. What kind of organizational structure exists at Speedy Office Supplies, and what would you recommend as a structure for a successful implementation of the project?

The organizational structure at Speedy Office Supplies is a Functional structure where department heads report to the Chief Executive. The leadership team should consider forming a Project Management Office for this initiative and use a Strong or Balanced matrix structure. In the future a Strong matrix structure with an Enterprise Portfolio Management Office should be considered to assist SOS deliver the on-going business objectives.

2. Discuss the responsibilities of the project manager and necessary authority for a successful implementation of the project.

The responsibilities and authority of the project manager should be documented in the Project Charter. The project manager will need to report to the Chief Executive for this initiative with the authority to select and manage organizational resources to achieve the business goals. Changes that occur will be reviewed by the project manager but approved by a Change Control Board appointed by the CEO.

Exercise 3.1: Challenges of Leadership

Instructions:
Read the scenario below and be prepared to discuss the questions that follow.

You have been assigned to be the project manager for the Web Expansion project. You have 20 years of experience and hold a project management credential from an internationally recognized organization. However, it has been decided that you will report directly to Bill Self, the Vice President of Marketing. Bill has ambitions of becoming the next CEO of Speedy Office Supplies and views this project as his ticket to the top. Bill wants you to give him a detailed status report of the project's progress weekly. He is also requiring that he "oversee" all project related meetings – he's very "hands on". Bill has informed you that he will handle all outward communications regarding the project to the company's leadership team and chief executive. He seldom includes you in communications he sends to his peers related to the project and all resource negotiation will be conducted through him. You are allowed to communicate to your immediate project team but must clear their project work with their functional manager through him.

   1.   Identify the leadership style used by Bill in the scenario.

Bill is using an Autocratic style. The project manager likely has the experience to lead the project

Without a lot of support from Bill. Bill should release some of his power and allow the PM to

Handle more of the decision making in regard to the operation of the project, resource negotiation,

budget, and stakeholder engagement.

   2.   What challenges are faced by the project manager?

The project manager is faced with several challenges that will impact his ability to be successful.

The major challenge is communication. Bill could send mixed messages so the PM will need to be

Very specific and concise with the recommended message that is sent to stakeholders. He should

recommend to Bill that they work in a more collaborative arrangement to meet these objectives

And that the PM can help Bill by taking some of the work off his plate. Over time perhaps Bill will

give the PM more authority on the project.

Exercise 3.2: Situational Leadership Styles

Instructions:

Read each scenario and answer each question.

Joe is new to the project team and has been with the organization for about two months. He has not met very many people in the organization although he seems willing to jump in and get the work done, but it usually takes him a while due to his inexperience. You have just assigned him the task to perform a gap analysis between the proposed departmental processes and the current processes. This will be used to determine the project tasks needed to deliver the new process to the department. You are very busy and decide that Joe will have to handle this on his own. What style are you using and is it appropriate or not?

You are using a "Delegating" style which is inappropriate for this scenario. Bill is committed but

lacks the competence to accomplish this task on his own. Bill is likely to feel helpless and

de-motivated. The work may not get done as you expect. As the leader, you should use a

"Directing" style which will help Bill understand what he must do and how you would like it done.

You could also consider asking a senior level team member to assist Bill, giving them the opportunity

to develop their own leadership skills.

Matching

Consider the example on a sailing yacht. The navigator reports to the skipper that the latest weather forecast has issued a gale warning. As the skipper how do you respond to the crew? Match the response to the Situational Style.

Style to Use	Response		Style
C	"The navigator says we are in for a bit of a blow. What do you suggest?"	A	Directing
A	"I want you to put one reef in the main and change the headsail to the storm jib."	B	Selling
D	"A gale is forecast."	C	Supporting
B	"The navigator says we are in for a bit of a blow, I think you should put one reef in the main and set the storm jib."	D	Delegating

Exercise 3.3: Using Leadership Models

Instructions:

Answer the following questions related to the previously discussed Leadership Models

1. What three things could you do on your project that uses the Kouzes & Posner Model?

   Model the Way – Demonstrate the behavior you expect; practice what you preach

   Inspire a Shared Vision – Understand where the project is going. Have a dialogue with the
      team. Use your enthusiasm to spark the team.

   Challenge the Process – Be willing to step out into the unknowns of the project

   Enable Others to Act – Foster collaboration with the team to solve project problems

   Encourage the Heart – Show appreciation for the team. Celebrate their victories.

2. Using the Maxwell Five Levels of Leadership model, describe what level of leadership you think you are at?

   Position: People follow me because of my title and authority

   Permission: People follow me because of the relationships I have built

   Production: People follow me because of the results I produce for the organization

   People Development: People follow me because of what I do for them

   Personhood: People follow me because of who I am and what I represent

3. Consider the Level 5 Leader model by Collins and describe how you could use one of the Professional Will categories on your project.

   Create results by helping the team deliver stakeholder expectations

   Resolve to face any barrier or risk to deliver the project successfully

   Set the standard for how a project successfully delivers to the stakeholders

   Don't blame the team for problems, look at yourself. When there is a win, credit the team

Exercise 4.1: Leadership Communications

Instructions:

Read the scenario below and be prepared to discuss the questions that follow.

You are the new Director of the Division of Child Safety. The manager of the Eastern regional office has just sent you an email describing two occasions of severe child neglect in her region. Both instances were reported by the local hospital's emergency room doctor to the regional office case worker. The doctor is threatening to report the incident to the police and call a local news reporter. He states these instances seem to recur frequently and he doesn't think DCS is paying attention to this epidemic of abuse. A few minutes after you receive the email your phone rings, it is Bill "Snoop" Billows from the newspaper and he would like an interview to discuss this breaking situation plaguing the community. You have arranged an interview with Bill that afternoon.

1. Using the four question test for whether to use the "first-mover advantage" approach determine a plan of action.

   1. Will those who matter to us expect us to do or say something now? **YES**

   2. Are others talking about us now, shaping the perception about us, among those who matter

      to us? Do we have reason to believe they will be soon? **YES**

   3. Will silence be seen as indifference or as an affirmation of guilt? **YES**

   4. If we wait, will we lose the ability to control the outcome? **YES**

   _____

2. Using a strategic approach to effective communication, answer the following questions to help determine a plan of action.

   What do we have? What is the challenge or opportunity we are hoping to address?

   There is a perception that an "Epidemic of Abuse" "plaguing" the community. The Division's reputation and effectiveness is being questioned as well as our ability to resolve issues of abused children

   What do we want? What is our goal?

   We want the public and our partners, i.e. hospitals, to trust that the division can and will resolve any abuse case with urgency and quick dispatch of solutions.

   Who matters? What stakeholders matter to us?

   First, the abused children. Partners in health care, law enforcement, and judiciary. The public and families of abused children.

What do we need them to think, feel, know, or do in order to accomplish our goal?

We want them to think that abuse of children does occur, and the division is acting to resolve it. We want them to feel that these children will be protected and receive proper care. We want them to continue to be on the look-out for abuse and report it immediately so we can act.

What do they need to see us do, hear us say, or hear others say about us to think, feel, and do what we want them to?

Stakeholders need to see us communicate first, resolve these cases quickly and justly. We want them to say that we are doing our job well and these cases are being handled to the betterment of the children.

How do we make that happen?

Partner with the news media to communicate a situation and what we are doing about it. Partner with law enforcement and the judiciary to bring abusers to justice quickly. Work with other agencies to develop programs to prevent abuse.

Exercise 4.2: Project Communications

Instructions:

Read the scenario below and be prepared to discuss the questions that follow.

The project has advanced into the Execution phase and you have just received an email from the systems development group stating they are having serious issues with the interfaces from the new web application to the legacy inventory management system. It seems not all of the interfaces were identified causing inaccurate inventory levels when testing the order processing function. The developers will be reporting this to their vice-president John Crusher in their weekly team meeting. John is a rival of Bill Self and would love to throw a monkey wrench into the project. You have three days before John finds out about the issue and informs the CEO about the problems with the new project.

1. Using the four question test for whether to use the "first-mover advantage" approach determine a plan of action.

1. Will those who matter to us expect us to do or say something now? **YES**
2. Are others talking about us now, shaping the perception about us, among those who matter to us? Do we have reason to believe they will be soon?   **YES**
3. Will silence be seen as indifference or as an affirmation of guilt? **YES**
4. If we wait, will we lose the ability to control the outcome? **YES**

2. Use the rule of thumb for communicating bad news and frame a communique regarding the issue at hand.

1. Tell it all: The testing group discovered three interfaces to the legacy inventory system were unidentified during requirements gathering. This is causing inaccuracies of inventory levels in the test environment.
2. Tell it fast: Bill should communicate this no later than tomorrow noon to the CEO, John Crusher, And affected stakeholders.
3. Tell 'em what you're going to do: The project team will investigate with the systems development team to determine what interfaces are missing and determine the impact to the project plan and expedite a corrective action to resolve the issue.
4. Tell 'em when it's over: Schedule a meeting or communication with all stakeholders impacted when the issue has been resolved, telling them what the results are.
5. Get back to work!

Exercise 5.1: Planning Project Leadership at Speedy Office Supplies

Instructions:

Given the information in the case study develop the following items;

- Project Manager role description, authority, responsibility, and competency needed
- Project Organizational Chart

Role Description: The project manager is the individual that will direct and manage organizational

resources to achieve the objectives of the project as described in the Project Charter

Authority: The project manager has the authority to supervise project staff members in the

assigned work of the project. The project manager will have the authority to approve

changes that are less than 40 hours of duration or $500 dollars of project cost, all other

changes must be approved by the Change Control Board.

Responsibility: The project manager is responsible to prepare all project reporting to stakeholders,

prepare and maintain the project schedule, budget, and WBS, form and develop the

project staff, assign project work to the project staff, gather performance data, approve

project deliverables with the stakeholders, and manage all stakeholder engagements.

Competency: The project manager shall have at least 8 years' experience managing similar projects.

The project manager will hold the PMP credential. It is required that the PM be experienced

in verbal and written communication, team leadership, and vendor management.

Project Organizational Chart
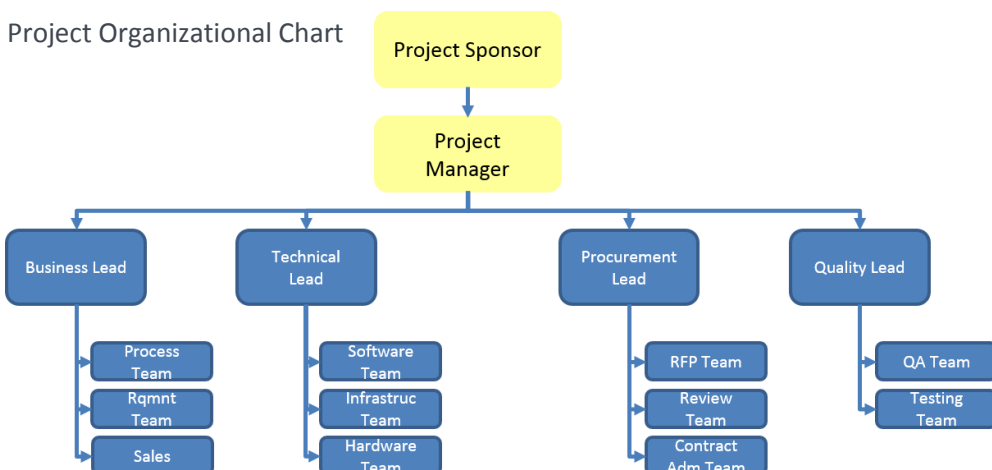
Exercise 5.2: Team Charter

Instructions:
Based on the information provided in Lesson 5 Topic 3, create a Team Charter for the Web Expansion Project at Speedy Office Supplies.

Team Name: The Mighty Devil Ducks

Team Purpose and Goals: The team will deliver a fully integrated, web-based order entry system in
a pilot program. Success will be achieved when the system is delivered and meets the
expectations of our stakeholders.

Team Vision: This team will deliver the highest quality product to our customers using a
collaborative environment with respect for each other and our stakeholders.

Positions of Authority: Project Manager, Team leads, CEO, Senior Management, Functional mgrs

Interfaces – Reporting Relationships:
Project Manager to Sponsor (CEO)
Senior Managers to CEO
Project Staff to Project Manager

Constraints: Skill set of internal resources, date to complete, unknown aspect of the technology

Decision process: PM will make tactical decisions with input from the team, PM and functional
managers will decide resource availability and allocation, Sponsor will decide budget and
expenditure items.

Team Directory: enter team member names, contact info, and team role

Exercise 5.3: Resolving Conflicts at Speedy Office Supplies

Instructions:
Given the scenario below, identify the type of conflict resolution technique being used.

Scenario 1.
The project has advanced into the Execution phase and you have just received an email from the systems development group stating they are having serious issues with the interfaces from the new web application to the legacy inventory management system. This is the third email you have received in two days. They want to setup a meeting with you to discuss how you are going to handle this problem. You really do not like working with the lead in this department because they come off as pushy and arrogant. You decide not to answer back, hoping they will resolve it on their own.

Conflict Resolution technique used: __Withdraw/Avoid_____

Scenario 2.
The project is in the Requirements Gathering phase and two key stakeholders cannot agree on how to prioritize the requirement that the new web-based ordering system should allow a chat feature. You are facilitating this session and direct the group to look at the two viewpoints and discuss advantages and disadvantages of the feature from their perspective. You instruct the team that we will vote on the prioritization after the discussion.

Conflict Resolution technique used: __Collaborate/Problem Solve_____

Scenario 3.
The project is nearing the Testing phase and nearly all the deliverables have been completed. A highly influential stakeholder comes to you and tells you a new requirement has just been identified that he must have in order to have his expectations met. You know this will cause a delay in the project and add a substantial amount to the budget. You report the request and its impact to the sponsor to take to the Change Control Board meeting in two days. However the sponsor decides this is not necessary and orders you to implement this change anyway.

Conflict Resolution technique used: __Force/Direct_____

CASE STUDY – SPEEDY OFFICE SUPPLIES WEB EXPANSION PROJECT

Company Overview

Speedy Office Supplies, led by founder and CEO Sam Speedy, has been in business for 30 years and is recognized as the leader in discount office supplies. We have a reputation of providing high quality products at reasonable prices and offering superior customer service. We are selling to corporate clients, governmental agencies, and individuals nationwide. Our customers are served by over 40,000 employees through direct sales, catalogs, e-commerce and more than 2,000 stores. Eighty percent of our business is currently done in our 2,000 retail stores with total annual sales of 700 million dollars.

Organizational Structure
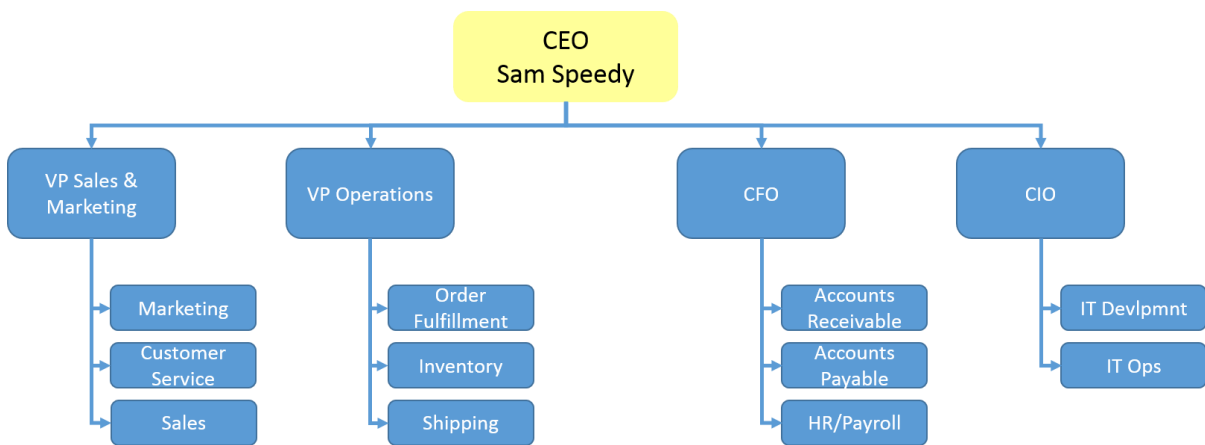
Business Objectives

Objective Number	Business Objective	Strategic Objective
1	Increase sales by 30% over the next 5 years	Increase sales
2	Reduce overhead costs by 40% over the next 5 years	Reduce cost
3	Expand customer base by 25% over the next 5 years	Increase market share
4	Innovate internal systems and processes within 2 years	Increase effectiveness

Problem Definition

Over the past five years the Retail Store Division has shown a steady decline in sales from 900 million dollars to the current 700 million dollars, a 22% decline; energy costs have increased by 30% for our fleet vehicles and retail stores; employee health care costs have increased by 75% and continue to rise due to federal regulations.

Market trends and customer preferences are indicating that customers desire the ability to order their products on-line at times convenient to them. The SOS management team believes if we phase-out or reduce the number of stores in the Retail Store Division and implement a web-based ordering system and consolidation of our distribution network, we anticipate a savings of nearly 10 million dollars per year. This system would also need to integrate into the existing legacy supply chain systems. Customer satisfaction surveys also indicate a favorable reaction to the concept of web-based sales, which could increase our current sales by at least 30% over the next 5 years, which will put SOS back on track to reach financial goals.

Current State

Currently orders for products are received via in-store requests, phone calls, or catalog mail-in from customers. We access our online system to check inventory, prices, and estimated shipping dates. If the order total is over $10,000 we turn it over to a supervisor. We then call the Credit Card Authorization Company to check the customer's credit card account. If the credit card charge is authorized we enter the order into the system. The current system is an old mainframe application and is very cumbersome.

There are purchasing agreements, special discounts, and payment terms for our clients purchasing over $50,000 per year. In the past, we have billed these customers on a monthly basis, providing them with a detailed listing by location of their purchases. We want to make it easier for them to pay via credit card each time they place an order to increase our cash flow and lower our Accounts Receivable. If possible, we still want to provide select customers the same reporting on a monthly basis for their purchases by location.

Federal Express and UPS are currently bidding on the exclusive rights for delivery of all customer office supplies. Each company is proposing an online interface to track shipments, including the name of the person who signs for the delivery. The shipment will need to have a label and detailed purchase order slip with the package. The cost of shipping is determined by the size of the package, weight, location, insurance, and timeliness of delivery. The customer will need an accurate shipping cost at the time of purchase.

Project Proposal

Based on this information SOS management is considering a decision to close or reduce the number of the brick and mortar stores within 18 months. We believe this decision will significantly cut costs and that we can be just as successful selling our products on our website.

Our main focus for this project is to create the shopping experience for our retail customer on the website and to place product orders on the Internet. We want to have real time information regarding product description; quantities; pricing; availability; payment processing; shipping method options with associated costs; delivery date; and order tracking. All information currently available at the retail stores and in the catalogs should be available and consistent with the Internet.

It would be nice if there were a place on the Internet for the customer to build a profile and store frequently purchased items in a list to use for future purchases. This would be very beneficial for large organizations that purchase the same products frequently.

We envision using our existing customer number and allowing each customer to create a password to ensure security. Anyone could look at the products online, but only registered customers would be allowed to place orders. The web site should have search ability by several options: product item number (from the catalog), product type, color, and size.

Hopefully when a customer places an order the software would quickly calculate a shipping charge and present the order total to the customer. We would not allow orders totaling more than $1,000 to be placed on the web. The software should also email a confirmation to the customer if requested.

Project Objectives

Project Objective	Project Objective Description	Business Objective
1	Provide a web-based order entry system	1, 2, 3, 4
2	Close or reduce retail stores	2, 4
3	Create distribution centers from some existing stores	2, 4
4	Provide superior shopping experience on web site	3

A feasibility team was formed and evaluated the business and project objectives to establish detailed specifications around the structural aspects of the project. The company also allocated a budget to invest in highly capable individuals who could provide a complete structural solution.

Project Implementation

Specialists recruited by the feasibility team subsequently presented a work breakdown structure (WBS) for the project as seen below, which subdivides the project work into the major elements and then their sub-elements. For example, a major element of work is the web-based order entry system work, which is subdivided into five sections. These sections include customer profile, search and scan products, ordering products, order billing and shipping, and integration to legacy system.

- WBS level 1 – Program/Phase: vision of the end product
- WBS level 2 – Project: the project's major deliverables
- WBS level 3 – Project units: the main work packages associated with each deliverable
- WBS level 4 – Further decomposition of Project units

The specialist team proposed that once the contracts are identified, the project could then be outsourced to different contractors.

Project Management

The feasibility team has proposed that a dedicated project management team be established within Speedy Office Supplies. The team would have total control over budgets and schedules and would report directly to the CEO.

The control, planning, and management of the project present complex logistical issues. The scheme may entail numerous individual contract packages, which will require coordination.

At a very early stage, the feasibility team settled the key project management objectives as
- effective and efficient communication of information
- utilization of thorough project control techniques
- efficient and widely understood procurement and contractor processes

This standardization is necessary to ensure that all contractors are working in unison. To furnish timely and accurate cost reports, the project control team needs a comprehensive system that integrates cost and schedule, provides reporting capabilities consistent with the project requirements, and improves operating efficiency.

The system has to be capable of processing and analyzing a vast amount of incoming monthly cost data quickly and accurately. Also, the team could use integrated systems to perform risk and schedule simulation analysis where the relationship between the schedule and cost is not always clear.

Although technology has simplified data collection and scheduling, the feasibility team has identified that professionals must carefully study and analyze the system output to provide a logical, meaningful explanation of the causes of any cost and schedule variances. In this way, sound project control methodologies reduce cost overruns, control cost growth, help meet project schedule objectives, and ultimately satisfy the client's expectations.

Feasibility Report

The feasibility team completed their study on schedule with an outline of strategy, detailed recommendations, and a list of preferred suppliers.

The main outcomes from the team are the following:
- The web-based order entry system should be piloted in one region. Based on the relative success of the pilot and after a period of "customization", the initiative can be deployed in other areas.
- Contractor participation is a key aspect to the success of the project, and Speedy Office Supplies should establish and work with a set of preferred suppliers.
- Speedy Office Supplies should establish a detailed project management office that has the authority to manage and control the project and report to senior management.

The feasibility team gave the green light for the project, based on these recommendations.

Internal Stakeholders

The **Marketing Department** is responsible for customer reporting and the negotiations for preferred customer status including volume discounts. Our largest customers receive one monthly bill for all their departments' purchases and a report showing the detailed

purchases. Additionally, marketing maintains the customer profiles, which are used to process orders, verify billing information, discounts, and reduce redundancy by eliminating the need for the customer to always enter their company information.

The **Customer Service Department** will need access to all information regarding customer orders to assist with the web site usage and handle any possible complaints.

Accounts Receivable is responsible for processing and sending bills to our preferred customers. The web ordering system will need to notify accounts receivable when one of our preferred customers request their order to be direct billed. Some customers have negotiated payment terms and discount rates based on volumes. They work with the Collections Department for any outstanding receivables beyond 90 days. On a monthly basis Accounts Receivable produces an aging report.

Inventory Management is impacted by a reduction in inventory from placed orders and an increase in inventory from cancellations and returns. They are responsible for managing the inventory and placing orders with vendors. Inventory Management is also responsible for handling returns, including items that have to be returned to the suppliers as defective.

Order Fulfillment receives an order notification from the order processing system containing all necessary information required to assemble the order. They are responsible for producing the packaging slips, retrieving the supplies, assembling the order into a bin or crate, and delivering the order to the Shipping Department.

The **Shipping Department** receives the order from fulfillment and prepares the order for shipment. The packing slip contains the shipping method requested by the customer and the estimated shipping timeframe. The Shipping Department is responsible for notifying the shipping company and updating the order status.

The **IT Department** manages and maintains a legacy supply chain system on mainframes at the corporate offices. Each retail store maintains its own sales and inventory on local servers that are integrated to the mainframe via communications lines. Sales and inventory data are downloaded nightly in batches to update corporate databases on the mainframe.

The **Employees** working in the retail stores. These may include stock clerks, cashiers, customer support, back office warehouse, drivers, and store managers. These employees will be directly impacted by a decision to close retail stores or consolidate them into distribution centers.

External Stakeholders

The **Shipping Company** currently has an online tracking system. Our web ordering system will have a direct link to the shipping company's web site for the customer to track packages using the tracking number provided by the Shipping Department to the order status system.

The **Credit Card Processor** currently authorizes customer purchases made in the stores, over the phone, or via fax. An additional interface will need to be established between the web

application to receive the customer and order information and to return an authorization code.

The **Customers** ordering from the retail stores and from the web site. These customers will be directly impacted by a decision to close or limit the number of retail stores and purchasing goods via the web site.