

PM Unusual: The 3 Key Challenges Facing PMs for the Next 5 Years

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September 2011

Abstract

This paper focuses on the three key challenges that will impact project managers for the next five years. It provides the latest information on the current workforce, and how it is dramatically changing within the midst of a massive business transformation. It reveals what this signifies for Project Management and anyone working to make Project Management successful. Discussions include motivating different types of employees, collaborative problem solving, and effective conflict resolution. This paper is meant to help project managers develop a more efficient and effective team by harnessing their organization's strengths and understanding their various motivators.

Introduction

Are you prepared for these issues in your projects: ever-changing priorities, a multitude of methodologies, increased pressures to deliver, high-employee turnover, ethical dilemmas stemming from new media and technology, and the pending exodus of Boomers from the workplace? The current workplace is undergoing a massive transformation. From learning how to manage and integrate Gen Y and Gen X, utilize Social Media, and deal with a poor economy – everything seems to be hitting at once, causing new challenges and opportunities for companies. How we build relationships, especially trust, is an ever-changing facet. If we don't quickly jump on board, we will get washed away by a wave of new business models, cultures, and technological innovations.

The first key challenge project managers must face is dealing with technological globalization, and the current transformation of the more traditional business culture and model. This includes no longer needing to conduct business or manage projects from a central location. The adaptation of the "virtual team" has become a necessity, and the agility of a business can be the difference between

its success and its failure. What used to take months can now happen overnight, increasing the importance of a company's ability to rapidly and organically adapt to the ebb and flow of today's technological culture.

The second key challenge deals with workforce engagement, or the ability of a project manager to understand different roles and responsibilities, as well as apply agility in order to wear different "hats" depending on the project at hand. This includes understanding generational drivers, implementing principled leadership, and truly understanding how the team operates.

Lastly, innovation and risk will impact project managers. The challenge is learning the balance between innovation and risk – as managing risk is a project management key – however, without it, it's impossible to truly reach full project potential.

Technological Globalization

Business transformation is an essential part of the competitive business cycle. This includes aligning people, processes, and tools with a result-based end goal in mind. Within the last few years, this especially includes embracing new processes and technology and making better use of resources. Today, business processes are more multifaceted, interrelated, and mutually supporting than ever before ("Business Transformation", 2010, ¶2). We are no longer constrained to the 40 hour work week – it's a 24/7 world, where the speed of change is ever increasing. It has only been within the last few years that we are no longer being led by a generation of traditional workers who want security, stability, and a predictable work schedule, but rather by a group of up and comers who value the technological space age we have recently entered. Technology has become so engrained in today's culture that we must no longer view the internet as a distracter, but instead a platform for which we present our

message. We must learn to utilize this new technology rather than fear it.

Technology has finally reached a tipping point, making virtual collaboration as easy and seamless as sitting across the table from a colleague. Cell phones allow us to be reached almost anywhere, giving access to email and other data at a wide range of locations. New technologies have given way to more rapid communication, increased efficiency, and the ability to work as a virtual team (Mamaghani, 2006, ¶22). Social media is shifting how business owners increase profitability, market their business strategy, and even empower employees and clients to be ambassadors for their business.

Even more recently, the “cloud” has significantly changed the way that businesses operate, allowing companies a new way to deploy, and scale company-wide communications. This internet-based computing allows resources, software, and information to be shared by computers and other devices on demand. Cloud computing provides a cost-effective way to provision processes, applications, and services, along with making IT management more responsive. This, in turn, has also allowed companies with many offices and branches to share the same resources simultaneously, improving their communication capabilities, and increasing productivity. Cloud computing provides a potentially limitless scale and quality with the end user in mind. This technology is designed to promote innovation that ultimately provides companies with new solutions.

Even more so, companies today are not limited by their size or location. Technological globalization has removed the borders and barriers that formerly obstructed smaller companies from having an international reach. Now, a small business in Oklahoma is capable of doing business all over the world, manufacturing in Asian markets, and buying or supplying internationally. The survival rate of business is no longer dependent solely upon the local competition, but rather the pace at which a company can technologically advance and adapt its organization to the new market opportunities and challenges.

As far as the remote office is concerned, for employees, “telecommuting can offer more flexibility and a relief from workplace policies such as dress code and formal office hours” (Sussan, 2006, p 119). Alan Standley (2006, ¶11) wrote, “91 percent of organizations allow employees to work at home occasionally”. As virtual teaming becomes more popular, employers are realizing the returns, including productivity gains, reduced absenteeism, employee turnover, real estate costs, and relocation costs to name a few (Mamaghani, 2006, ¶1).

Despite the ease to implement and relative low cost of becoming “virtual”, project teams and companies are recognizing that virtual teaming isn’t an easy concept to implement in an organization. An effective virtual team must be made up of team members who can operate with little direction and have a heightened sense of purpose and commitment to their work. These people excel in a virtual environment because they are constantly thinking ahead to understand what is needed next for project and organizational success. Managers can trust a self-directed team member to produce quality deliverables with very little, if any, managerial oversight. They can trust a self-directed person to make the right decisions, handle exceptions to standard processes or procedures, and call for help on problems he cannot solve. This great sense of discipline and understanding of the team’s goals makes self-directed people highly self-reliant and the team highly effective. Encouraging and rewarding initiative will ultimately create an environment for the development of self-directed remote workers, who are the key to virtual team success (Winters, 2009, p. 59-64).

However, with all the benefits offered by new technologies, there are an equal amount of risks that businesses must bear in mind before executing them. Security is a primary concern when dealing with new technologies, especially those that are accessible outside of the traditional workplace. The physical securities of IT equipment, as well as the network access to unauthorized users are both aspects that must be considered now due to virtual teaming. In fact, “it was recently reported that the average business laptop held about \$1 million of commercial data” (Standley, 2006, ¶7).

There is one certainty about the future of technology in the workplace: it will continue to transform and develop at a rapid pace. Despite the drawbacks and risks, a company’s implementation of new technology is essential to remain competitive in the market (Todd, 2007, ¶11). “If it is to benefit, business will need to understand far more than the mechanics of new technologies. They will need to understand the way that people - their employees and customers, will use and interact with them.” (Standley, 2006, ¶9). We live in a big world that seems to only be getting smaller through advances in technology.

Workforce Engagement

Understanding Your Team

The U.S. Department of Labor estimates that today’s learners will have 10-14 jobs by the age of 38 (Carlson, 2008, ¶3).

Since 1997, the desire to move to jobs with more responsibility among young workers has increased (Galinsky, 2008, p.1). These statistics show that the market place is moving, and moving quickly. The new culture in the workplace demands a new set of rules and boundaries in order to keep up with the change in times.

Good project managers should already have a grasp on this challenge when it presents itself, because project management focuses on roles and responsibilities. Recognizing and understanding how your team operates as the project manager can help turn any team into a high performing team. The four cornerstones of high performing teams include trust, respect, conflict resolution, and shared purpose. These are some of the soft project management skills that can help any team feel more engaged and on board with any given project. These cornerstones will be further explored by learning what drives and motivates your team, as well as how your team operates.

Employee Motivation through Drivers

Work motivation is often defined as the duration, direction, and intensity of behaviors toward a goal (Motivation, n.d., ¶1). In a practical sense, the level of motivation employees have toward a goal can affect the amount of effort they exert toward those goals. Certain job characteristics can undoubtedly lead to higher motivation, such as those jobs that require a high degree of skill variety or are of great significance to the organization. Autonomy can also lead to higher motivation because employees feel they have the freedom to complete their work on their own time and terms.

Employees can be guided and re-directed toward a goal through a manager's feedback about their job performance, increasing the likelihood of the goal ultimately being accomplished. By evaluating your team's jobs and goals, you can practically and objectively increase and enhance their motivation (Stiles, 2010, p. 63).

Another driver to employee motivation is not dependent upon the job itself, but rather the employee who is doing the job tasks. With so many different generations currently making up the workforce, it's important to understand what drives and motivates each, as well as how to best leverage their differences. There are 4 main generations that are currently making up the majority of today's workforce: Traditionalists, Boomers, Gen X, and Millennial (GenY).

Leveraging Generational Differences

Traditionalists are those born between 1922 and 1945, and make up 76 million people in the world today. Their worldview was largely shaped by the Great Depression and World War II, and they consider their word to be their bond. Traditionalists value security, stability, due process, fair play, and hard work. They view their work as the "ends" to their life, seeking to provide a good life for their families.

Boomers consist of those born between 1946 and 1964, and is a title that applies to 80 million people. Boomers believed they could change the world for the better. They came of age during the Civil Rights Movement, nuclear disarmament, consumer advocacy, and the Women's Rights Movement. Boomers value competition, relationships, loyalty, and efficiency. There are two primary factors about Boomers that shape their work life: 1) Boomers do not see work as an "ends" but rather a "means" towards their goal in life: having fun, and 2) they emphasize relationships and everyone "getting along" over results. These have both caused problems with the younger two generations as the Boomers move into leadership roles. Gen X's tend to focus on results (above relationships) and Gen Y's need to "walk the talk," running counter to the Boomers desire for not "rocking the boat".

Gen X is the smallest generation since the Great Depression. Born between 1965 and 1981, Gen Xers make up 46 million people of today's population. Also known as the "latch-key" generation, their formative years were characterized by economic instability, government corruption, and job insecurity. They value a work/life balance, tend to be results driven, and are generally unimpressed by authority figures.

Gen Yers are those born between 1982 and 2002 and make up 76 million people. They are the product of the self-esteem movement and are thought to be the best educated and most technically literate. Generation Y values include teamwork, job flexibility, technology, and multi-tasking. At work Gen Yers are driven by two primary factors: 1) career development opportunities through having multiple, different experiences, and 2) a values-based organization whose leadership "walks its talk."

So what does this mean for the workplace? Consider these statistics:

- Two-thirds of Generation Y workers believe they should spend no more than 2 years in an entry-level position. (Downs, 2009, ¶4).

- In the next 20 years, 76 million Americans will retire with only 46 million replacing them. (Gelston, 2008, ¶2).

Despite the decline of workers due to the Boomers exiting the workforce, it is also easy to confer that while the older generations have been noted as extremely loyal employees, Xers and Yers may value their relationships with co-workers above their relationship with the company. They may also view job-hopping as a career advancement method. It is an important organizational initiative to note the values of the younger generations so as to retain, grow, and develop these workers (Tolbize, 2008, p. 6). Effective project managers must learn to operate from a management style that involves these younger generations and allows them to take ownership and responsibility for their work.

Principled leadership styles

Principled leadership styles are emerging as a strategy for managing effective teams. Different from the more traditional “follow the leader” style of managing, principled leadership helps empower employees to think outside the box, take ownership, and be innovative, while still holding the business to a standard of excellence and ethics. This revolutionary leadership style is a concept that strives to align an organization’s initiatives more closely with its strategy and vision. This focuses on managing the behavior and authoritative “boundaries” rather than procedures to achieve objectives. In project teams, the manager spends more time sharing what success looks like (rather than the methods and procedures), coaches the team members on their constraints and boundaries of control, and then challenges their approaches with experiences and previous lessons learned. This creates an enabled team that can innovate how it approaches the objectives, while conforming to necessary corporate compliance policies. It also satisfies the needs of Gen X and Gen Y to be included and creative.

Principled leadership occurs when the leader is tough on principles, not on people. This type of leader incorporates basic respect for people, their abilities, and their opportunities to achieve. Principled leadership truly focuses on the principles and values within the organization – the things an organization wants to be known for. For example, a manager may set a principle that the company will always exceed customer expectations. The manager is not telling the team to follow certain steps to get there, they are just saying to go

above and beyond, no matter what. Managers who are focusing on principled leadership learn the importance of accepting opinions without necessarily approving of them, as well as set the precedence for their team to bring up issues only when they can provide ideas for how they can be solved. This type of leadership welcomes contributing to the organization with diversity and unique ideas, as long as they are in line with the values of the organization.

How Teams Operate

Role-based vs. Title-based Management Models

For many firms, the gap between the person on the highest and lowest rung of the corporate ladder has become a real barrier to their future success. Companies have grown in scale, merged, and expanded, without realizing the quiet hurdle that was growing within.

Today, companies are shifting away from the traditional hierarchies of the corporate ladder and have replaced them with teams that are more agile, adaptable, and versatile. This approach enables companies to respond to change and crises more easily, while maintaining focus on the strategy. A team-based organization is flatter, trading the vertical levels in for breadth of horizon — fewer management layers and broader capabilities.

Flattening the organization requires companies to focus more on roles than titles. Traditional hierarchies are based on titles that represent decision-making and budgetary authority rights. As a person moves up in the organization, their authority rights expand. However, their visibility decreases as they move further away from the front lines, too. This can cause increasing disconnection between front lines and executive management. Roles can have authority too, but they do not increase by moving up in the hierarchy — instead, they move outward to different roles.

So what is a role? A role consists of a set of responsibilities — similar to a job description — that emphasize the actions assigned to it, rather than focusing on skills or competencies. For example, “review the budget,” “create the budget,” and “approve the budget” are all responsibilities that might be associated with one or more roles (such as “Team Lead,” “Engineer,” or “Chief Financial Officer”) while “MBA in Finance” or “five years of accounting experience” are skills or competencies. Both are important, but the latter do not explain how they affect or are used in the company.

The result of this approach is a more accountable and

disciplined organization that works through teams and roles, rather than titles and levels. The number of roles can expand in number based on the needs of the organization rather than its size, enabling the company to grow or shift its focus faster.

Effective Conflict Resolution and Collaborative Problem Solving

Most exposure to conflict within an organization does not typically lead to positive results, but rather seems to stall progress, inject negative tension among team members, and potentially damage client relations. Conflict usually arises when team members differ in opinions, experience miscommunication, fall prey to unrealistic or changing goals, or perceive threats to their physical or emotional well-being. Differences in opinions can actually lead to increased creativity and innovation, however, when perceptions of threats exist among team members, they may not see the benefits of differing opinions but rather resort to defending their territory.

Emphasizing collaboration and empathy are two ways to reach positive solutions and retain team cohesion. Collaboration requires honest communication among team members which leads to collective brainstorming. Collaboration cannot happen without empathy, which is the effort to understand the others' points of view and intentions behind their behaviors.

The key is to understand the common intentions that the conflicting team members' share, such as the desire to resolve the issue in the most effective manner. Once emotions are channelled toward the solution rather than the person, collaboration can emerge.

Managing conflict is not the only option to reaching positive outcomes — preventing negative conflict should be a priority as well. Organizational leaders can influence team processes to promote positive collaboration within conflict. For example, establishing clear expectations for team tasks and individual responsibilities will support clear communication. Also, managers should encourage team members to understand their typical responses to conflict and trigger words that are meaningful to them. Training and mentoring can provide tools to team members to support an understanding of conflict and preventive techniques that lead to collaboration. As a result, organizations can overcome the negative outcomes to conflict and leverage the experience to discover new and innovative solutions (Stiles, 2010, p. 81).

Innovation and Risk

Fundamentally, project management focuses on the mitigation of risks. However, how do we leave room for innovation if we are constantly weighing the risks? The answer is to provide a balance between the two. In order to instil true innovation within your team, you must be willing to take risks that could ultimately fail.

As mentioned before, technology is moving so fast that it's pushing the boundaries of how it should and could be used in the workplace. With social media and security breaches at the forefront of many minds when using advancing technology in business, it has become vital to understand the ethical risks and potential drawbacks when using certain types of technology.

Intel Corp., the largest semiconductor chip maker revenue-wise in the world, learned the hard way when it experienced an attempt by hackers to gain access to their systems, affecting its position in the market and creating a breach in security to those using their product. Intel's CISO Malcolm Harkins said the security violation can serve as a reminder to all organizations that such incidents may not be avoidable, but they can be managed through a working risk management structure. "I was so elated [when we caught the attack] that for the first time I had statistical proof that the money I had spent on making people aware allowed people to act as a part of our technical perimeter. They saw it, and they acted as if it was an antibody. It was a foreign object, and they were going to protect the company" Harkins said (Schick, 2010, ¶4).

Another issue with technology in the workplace is the affect it has on employee productivity. With the emergence of social networks like Facebook, Twitter, and LinkedIn, there are arguments for both sides of the case on whether they increase or decrease productivity.

On one hand, employee focus and output is essential to an organization. Unregulated distractions are potentially disruptive and distracting. A study by Nucleaus Research showed that Facebook has proven to shave off 1.5% total office productivity, with some British companies estimating on-the-job social networking costing them \$2.2 billion a year (Koerner, 2010, ¶1).

In addition, there is the security threat that social media sites pose in terms of spam and malware attacks. Sophos, a leading developer and vendor of security software and hardware, published its 2010 Security Threat Report, reporting a 70% rise in organizations experiencing spam and malware via social networks. That report also stated that 72% are of the mindset that employee behavior in

social networks does in fact endanger their business security (Solis, 2010, ¶8).

The other side argues that the creative process social media provides is actually beneficial to employee productivity. Human beings need periodic breaks to relieve our constant focus on the task at hand. Social media can act as a palette cleanser to help clear the mind and refresh thinking. *Creativity and the Mind*, a psychology text dealing with the neuroscience of creativity, observes that people are more successful if we force them to move away from a problem or distract them temporarily (Ward, Finke, & Smith, 2002, p. 143).

As a project manager, it's important to understand and value both sides of the argument. Strategically engaging in social media can not only help motivate and refresh employees, it can also prove lucrative, providing access to tools and networks that could bring collaborative value to the company. However, the web is not outside our means to manage (Solis, 2010, ¶22). Without guidelines and beneficial governance, we invite the risk of over-participation. In order to successfully utilize and benefit from the many aspects of social media, teams must master and respect privacy, boundaries, and time management.

Innovation During the Project

In the end, risk is required for innovation – the key is to learn through low-risk trials so as to not knock your project entirely off course due to unnecessary risk. Organizations are greatly exposed to failure unless they are able to innovate, in order to cope with the changing of the times. Project managers are greatly responsible for determining how innovation should be accepted within an organization. If the management supports it holistically and fosters a culture of creativity, team members will feel comfortable embracing revolutionary ideas. Jason Schickerling, Director of Core Ladder Products at Werner Ladder Company described this, stating, "The levels of risk accepted by the executive leaders of the organization define the level of innovation that a company is willing to commit to" (Sylver, 2011, ¶15). Leadership can advance innovation by communicating the value and rationale for change, and then presenting the end result. By clearly defining an outline for the culture and holding regular meetings or check-ins, a manager will be able to keep progress consistent with innovative patterns.

Innovation within an organization in turn leads to a culture focused on continuous improvement. This means constantly asking the question, "How can we do better tomorrow than we did today?" This visionary method defines those companies who never view themselves as

reaching the finish line, but rather strive for improvement day in and day out. A very simple continuous improvement process is made up of the Plan-Do-Check-Act cycle, which focuses on reviewing processes and continually improving them.

Planning consists of defining your processes and identifying the improvement opportunity. This may mean including some of your team to identify the root cause of problems and brainstorm potential solutions. The "Do" occurs after you have formed an action plan for improvement. This is the execution phase, where you continuously check your progress against your plan. Once your actions have been implemented, you check to determine if your actions were successful. This includes defining how you measure performance and comparing previous data with the present. Finally, you check or evaluate whether the improvement was indeed successful based on your targets.

Effective management of innovation and risk is valuable to the success of an organization. By applying principles that create a framework for healthy innovation and risk, today's managers can encourage activities that provide the opportunity for controlled growth. In the end, organizations must be self-aware, accept that mistakes will occur, and be capable of assessing and adjusting appropriately.

Conclusion

Having now entered into a project management world that is indeed unusual, it's important to be mindful of the 3 key challenges that we will face as project managers: technological globalization, workforce engagement, and the struggle between innovation and risk. There are, however, some key takeaways to remember as you continue into the strange and ever-changing world of project management.

- Be agile or be gone. Business is ever-evolving and requires more flexibility, strategy, and plans to change than ever before. No single plan will work every time – it's impotent to know how to respond to change with agility and speed.
- Do not expect all teams to act the same. Teams will always differ as much as the personalities that compose them. However, by truly understanding your team and each member's different drivers, you will be able to lead more effectively. Project teams define the success of the project, so building an effective, high

performing team is one of the most important strengths of a good project manager.

- Help team members remember the big picture. This will help to prepare them when issues arise. When trying to resolve an issue or manage change, focus on the direct result so as to not lose the forest through the trees.

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The Persimmon Group is a management consulting firm that works with organizations, in both the public and private sector that want a tailored approach to business growth and improvement opportunities. Since 2004, TPG's experienced consultants have provided a wide range of expertise in many industries and in numerous areas including business strategy, project management, information technology, and leadership development, among others.